

PETERSON/CICERO
TAX INCREMENT FINANCING
REDEVELOPMENT AREA PLAN AND PROJECT

City of Chicago, Illinois

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I INTRODUCTION

This report documents the Tax Increment Redevelopment Plan and Project (the "Redevelopment Plan") for the Peterson/Cicero Redevelopment Area ("the Project Area"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the City to improve and revitalize the Project Area. This document is intended to provide a framework for improvements within the district over the next 23 years. The goal of the Redevelopment Plan is to encourage the redevelopment of existing obsolete and blighted buildings for uses which will contribute to the economic strength and vitality of the surrounding community.

In 1999, the City retained the planning consulting firm of Teska Associates, Inc ("TAI") to assist the City in the development of a tax increment financing program for the Project Area. TAI performed site evaluation and identified necessary public improvements. TAI also documented the presence of age, deterioration, depreciation of physical maintenance, obsolescence, and excessive vacancies. This evidence enabled TAI to conclude that the Project Area meets the statutory requirements for a Blighted Area and could be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act").

TAI has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

Project Area Description

The Project Area is located approximately 9 miles northwest of the central business district of Chicago, in the Forest Glen community area. It is bounded roughly by an improved property currently known as the headquarters of the Polish National Alliance with the common address of 6100 N. Cicero Avenue on the north (at approximately W. Glenlake Avenue), the Edens Expressway (I-94) on the west, Peterson Avenue on the south, and Cicero Avenue on the east (see [Figure A](#)). The Project Area has excellent accessibility. Both Peterson and Cicero Avenues are served by CTA bus routes, and the Edens Expressway offers easy accessibility to downtown Chicago and other parts of the region, as well as visibility for the Project Area.

As described more fully in the Appendix, however, the Project Area is characterized by blighted conditions. The City believes that Tax Increment Financing will be of substantial benefit to the site. Tax Increment Financing will induce private investment that will arrest and reverse the blighting conditions which currently exist.

The boundaries of the Project Area will gain an immediate and substantial benefit from the proposed redevelopment project improvements and Redevelopment Plan. The Project Area consists of approximately 4.8 acres within one legal block, and includes eight commercial properties and two adjacent public rights of way (see [Table P-1](#) below).

Table P-1 Existing Land Uses

	Acres	Percent of Total
Commercial	3.1	65%
Rights-of-way	1.7	35%
Total	4.8	100%

The Project Area is zoned as General Service - Business District (B5-1). Surrounding the Project Area to the north, east, and south are other commercial properties, and to the west lies the Edens Expressway. The surrounding area is characterized by mid-sized office buildings and aging single story retail store-fronts (see Figure B).

The Project Area is accessible by many forms of surface transportation. Automobile, truck and bus routes ensure that the Project Area is well connected to the City and the nation. The area is bounded on three sides by roads with State or Interstate designations.

Despite this advantageous and well-connected location, the Project Area has become blighted, and is characterized by under utilized or vacant commercial property. As Section VII, "Findings of Need for Tax Increment Financing," and the Eligibility Study in the Appendix demonstrate, the Project Area has not been subject to appropriate growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the City.

Tax Increment Financing

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and serves as a guide to all proposed public and private actions in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area ("incremental property taxes"). The key to this financing tool is that it allows for public capital investments that are repaid by property taxes from private development investment induced by those public capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation (principally from new private development) generated within the designated project area during the limited term of the redevelopment project. Thus, the project can pay for itself without the need for additional taxes to be levied city-wide, outside the boundaries of the Project Area.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Public and private reinvestment is possible only if Tax Increment Financing ("TIF") is used as authorized by the Act. The revenue generated by the redevelopment activity will play a major and decisive role in

encouraging private investment. Through this Redevelopment Plan, the City will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Project (as defined below) will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community living, working, and learning environment.

The Redevelopment Plan

As evidenced in Redevelopment Plan Section VII, "Findings of Need of Tax Increment Financing," the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

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

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

The success of this redevelopment effort will depend on cooperation between the public and private sectors. By means of public investment, the Project Area will become a stable environment for area-wide redevelopment by the private sector. The City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

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

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

- A strengthening of the economic well-being of the surrounding community.
- An increase in construction and full-time employment opportunities for residents of the City.
- The replacement of unsightly uses, blight, and vacated properties with viable, high-quality developments.
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote the comprehensive, area-wide redevelopment.
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the area appear safe and more attractive to investment.
- The provision of job training services to community members which make the Project Area more attractive to investors and employers.
- The creation of opportunities for women and minority owned businesses to share in the redevelopment of the Project Area.

II LEGAL DESCRIPTION

1 THAT PART OF THE EAST HALF OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE
2 NORTHEAST QUARTER OF SECTION 4 AND THE WEST HALF OF THE SOUTHWEST QUARTER AND
3 THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13,
4 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

5 COMMENCING AT THE MOST WESTERN CORNER OF LOT 8 IN OGDEN AND JONES SUBDIVISION
6 OF BRONSON'S TRACK IN CALDWELL'S RESERVE IN TOWNSHIP 40 AND 41 NORTH, RANGE 13, EAST
7 OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE
8 OF SAID LOT 8, A DISTANCE OF 124.19 FEET FOR THE POINT OF BEGINNING; THENCE
9 NORTHWARD ALONG A LINE PARALLEL TO THE CENTER LINE OF 100 FEET WIDE NORTH CICERO
10 AVENUE, A DISTANCE OF 36.57 FEET; THENCE EASTWARD ALONG A LINE PARALLEL TO THE NORTH
11 LINE OF 100 FEET WIDE WEST PETERSON AVENUE TO THE EAST LINE OF SAID NORTH CICERO
12 AVENUE; THENCE SOUTHWARD ALONG THE EAST LINE OF SAID NORTH CICERO AVENUE TO THE
13 SOUTH LINE OF SAID WEST PETERSON AVENUE; THENCE WESTWARD ALONG THE SOUTH LINE OF
14 SAID WEST PETERSON AVENUE, A DISTANCE OF 300 FEET; THENCE NORTHWARD ALONG A LINE
15 PARALLEL TO THE CENTER LINE OF SAID NORTH CICERO AVENUE TO THE NORTH LINE OF SAID
16 100 FEET WIDE WEST PETERSON AVENUE; THENCE NORTHWESTERLY TO A POINT 50 FEET NORTH
17 OF THE NORTH LINE OF SAID WEST PETERSON AVENUE AND 290 FEET WEST OF THE CENTER LINE
18 OF SAID NORTH CICERO AVENUE; THENCE NORTHWARD ALONG A LINE 290 FEET WEST AND
19 PARALLEL WITH THE CENTER LINE OF SAID NORTH CICERO AVENUE TO THE POINT OF BEGINNING,
20 ALL IN COOK COUNTY, ILLINOIS.

III ELIGIBILITY SUMMARY OF THE PROPOSED TIF DISTRICT

During July 1999, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF district. The results of the study indicate that the Project Area meets the Act's requirements for a "blighted area," and is eligible to be designated by the City Council as a "Tax Increment Finance Redevelopment Project Area."

The Project Area qualifies as a blighted area under the Act based on the predominance and extent of parcels exhibiting eight of the blighting factors listed in the Act (five to a major extent and three to a minor extent). The following factors are present to a major extent in the Project Area, and contribute to the designation of the Project Area as a blighted area:

1. Age
2. Deterioration of buildings and surface improvements
3. Depreciation of physical maintenance
4. Obsolescence
5. Excessive vacancies

In addition, the following factors are present to a minor extent:

1. Excessive land coverage
2. Deleterious land use or layout
3. Lack of community planning

The detailed findings of this study are described in the Appendix of this report.

IV REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the general, overall goals and specific objectives of the Redevelopment Plan, and to present strategies for meeting these goals and objectives.

Goals

The overall goals which are specifically directed to this Redevelopment Plan are:

- Reduction or elimination of those conditions which qualify the Project Area as a blighted area.
- Encouragement of land uses which strengthen the function and appeal of the Project Area for predominantly commercial and residential uses.
- Improvement of existing roadways and streetscape to enhance the desirability of redevelopment sites.
- Creation of an environment within the Project Area that will contribute to the health, safety, economic well-being, and general welfare of the City, that will maintain or enhance the value of properties adjacent to the Area, and that will stimulate private investment in new construction, expansion, and rehabilitation.
- Employment of residents surrounding the Project Area in jobs in the Project Area.

Objectives

- Assemble and prepare sites which are conducive to modern mixed (commercial/residential) use development.
- Encourage the use and maintenance of the commercial property so as to contribute to the vitality of the adjacent commercial uses and the nearby Sauganash Neighborhood.
- Upgrade infrastructure throughout the Project Area.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the rights-of-way.
- Create strong public and private partnerships to capitalize upon and coordinate all available resources and assets.

Strategies

Based on an analysis of the existing conditions of the Project Area and the overall goals and specific strategies stated above, the strategies for redevelopment should be to:

- Assemble and prepare property necessary to attract new mixed use investment.

- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent project areas.
- Encourage employers within the Project Area to participate in job readiness and job training programs, established by this Redevelopment Plan, or operated by City agencies or local educational and training institutions.
- Promote commercial uses that support the needs of the community.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Study existing and future traffic conditions on arterial streets; and, improve traffic flow, safety and convenience through traffic roadway and intersection improvements, traffic lighting improvements, and traffic calming strategies.
- Study traffic noise impacts and implement strategies that would address any noise that could affect potential occupants of the Project Area.
- Ensure that environmental assessment surveys and environmental remediation activities (e.g. asbestos and lead-based paint abatement, underground storage tank removal, etc.), if warranted, are performed on sites where demolition, rehabilitation, and/or new development is to take place.

V PROPOSED LAND USE AND REDEVELOPMENT OPPORTUNITIES

Proposed Land Use

Appropriate redevelopment will ensure that the Project Area is once again an attractive element within a stable neighborhood. The strength of the surrounding neighborhood is built, in part, on the continuity of the scale of development. Single-family homes and relatively low density townhomes support the neighborhood business centers which (with the exception of the two mid-rise office buildings south of Peterson) are single story street-oriented storefronts. New development which does not respect this scale will detract from the viability of the neighborhood.

Therefore, even if the site could accommodate it, this is not an area suited to "big box" or suburban style retail facilities. The relatively shallow lot depth, and small site area makes the site best suited for small scale mixed (commercial/residential) use development (see Figure C) . Specifically, multifamily residential development would be well suited for the northern portion of the Project Area, away from the Peterson/Cicero intersection. An assisted living development for seniors may be a viable residential use. Residential development of relatively low density would be most compatible with the existing neighborhood scale. On the south end of the site, small scale retail development can take advantage of the visibility and accessibility of the location. However, retail development should not contain new uses that would compete with existing enterprises in the immediate vicinity.

Redevelopment Site

In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector will not pursue investment opportunities in the Project Area. As described in Section VII, "Findings in Need for Tax Increment Financing" and the Eligibility Findings in the Appendix, the Project Area has not been subject to private sector interest or investment for several years. The properties in the Project Area are characterized by physical decline, vacancies, and loss in value. Without public assistance, these blighted conditions can be expected to continue or worsen.

Therefore, public assistance and support will be required to induce the redevelopment of the Project Area through private reinvestment. The principal development alternative likely to generate sufficient tax increment and investor interest to drive other redevelopment in the area is the redevelopment of the entire Project Area for new mixed commercial and residential uses.

Redevelopment Activities

Numerous public improvements will increase the functionality, appearance, and viability of the Project Area as a strong mixed use neighborhood (see Figure D). Streetscape features will be installed along both sides of Cicero Avenue, adding visual identity to the area. Traffic lighting improvements will be made at the intersection of Peterson and Cicero to improve the functionality of this key intersection both for vehicles and pedestrians.

VI REDEVELOPMENT PROJECT

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

Purpose of the Redevelopment Plan

The Act defines the Redevelopment Plan as: "...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof or 'industrial park conservation area,' and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" (65ILCS 5/11-74.4-3(n) (1996 State Bar Edition), as amended).

Further, the Act states that for such areas, "It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest" (65 ILCS 5/11-74.4-2(b) (1996 State Bar Edition), as amended).

The Proposed Land Use Plan and Redevelopment Activities, in Figures C and D respectively, illustrate proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with adjacent uses, becoming an asset to the community and stemming the growth of decay.

Eligible Redevelopment Project Costs

The City may incur, or reimburse a private developer or redeveloper for incurring, redevelopment project costs. Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Redevelopment Project. Some of the costs listed below will become eligible costs under the Act pursuant to an amendment of the Act which will become effective November 1, 1999. Such costs may include, without limitation, the following:

- Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
- The cost of marketing sites within the area to prospective businesses, developers, and investors;
- Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- Costs of the construction of public works or improvements;
- Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Project Area, and costs of 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, as provided in the Act;
- 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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
- An elementary, secondary, or unit school district’s increased costs attributable to assisted housing units will be reimbursed as provided in the Act.
- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or state law;
- Payment in lieu of taxes;
- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act;
- Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.
- Up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, “low-income families” means families whose

annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

Property Assembly

To achieve the renewal of the Project Area, the City of Chicago is authorized to acquire and assemble property throughout the Project Area, clear properties of all or any improvements, and either: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program. The City may pay for a private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and clearing and grading of land. Furthermore, the City may require written redevelopment agreements with developers before acquiring any sites. In connection with the City exercising its power to acquire real property not currently on the Land Acquisition Overview Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

Figure E, Land Acquisition Overview Map, and Table P-2 indicate the parcels authorized to be acquired for clearance and redevelopment in the Project Area.

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary use until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking, or other uses the City may deem appropriate.

Land acquisition activities pursuant to the Acquisition Map will be initiated by the City within four years from the date of the publication of an ordinance approving an acquisition.

Table P-2 Acquisition Parcels by Block and Parcel Identification Number

Parcel Number	Address
13-04-229-031	6010, 6020 N. Cicero
13-04-229-042	6034 N. Cicero
13-04-229-047	6034 N. Cicero
13-04-229-048	6028 N. Cicero
13-04-229-049	6010, 6020 N. Cicero
13-04-229-056	4816 W. Peterson

Property Disposition

Property to be acquired by the City as part of the Redevelopment Project may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

Environmental Remediation

Environmental remediation costs are a component of site preparation costs. Such costs may include those costs incurred to address ground level or below ground environmental contamination.

Rehabilitation of Existing Public or Private Structures, Fixtures, or Leasehold Improvements

The City of Chicago may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the district. Appropriate assistance may include, but is not limited to:

- Financial support to private property owners for the restoration and enhancement of existing structures within the Project Area.
- Improvements to the facade or rehabilitation of public or private buildings, fixtures, or leasehold improvements.

Public Improvements

The City of Chicago may install public improvements in the Project Area to enhance the corridor as a whole, to support the Redevelopment Project Plan, and to serve the needs of Project Area residents. Appropriate public improvements may include, but are not limited to:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas, and places for public leisure and recreation;
- Construction of public off-street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting and signage of public properties;

- Maintenance of blighted rights in privately owned properties;
- Demolition of obsolete or hazardous structures;
- Improvements to publicly owned land or buildings to be sold or leased.

Recommended public improvements are shown on the proposed Redevelopment Activities plan (Figure D). These activities include installation of streetscape features along Cicero Avenue, and traffic lighting improvements at the intersection of Cicero and Peterson. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

Capital Costs of Taxing Districts

To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

Relocation

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

Job Training

Separate or combined programs designed to increase the skills of the labor force to meet employers’ hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

Developer Interest Costs

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

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year.

Day Care

Funds may be allocated toward:

- the cost of day care services for children of employees from low-income families working for businesses located within the Project Area; and
- all or a portion of the cost of operation of day care centers established by Project Area businesses, to serve employees from low-income families working in businesses located in the Project Area.

Estimated Project Costs

Table P-3 outlines the estimated costs of the Redevelopment Project.

Table P-3 Estimated Redevelopment Project Costs

Estimated Redevelopment Project Costs	
Professional Services: studies, surveys, plans & specifications, administrative costs relating to redevelopment plan and projects: architectural, engineering, legal, financial, planning or other services; and the cost of marketing sites to prospective businesses, developers, and investors	\$250,000
Property Assembly: land acquisition, demolition, site preparation, and disposition	\$6,500,000
Environmental Remediation	\$500,000
Rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements	\$200,000
Public works or improvements: streetscape and traffic lighting improvements ⁽¹⁾	\$600,000
Job Training	\$200,000
Relocation	\$500,000
Developer Interest Costs	\$100,000
Day Care	\$150,000
Total Redevelopment Costs ^{(2) (3)}	\$9,000,000

Notes:

1. Public improvements may also include capital costs of taxing districts. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, the capital costs of another taxing district may be paid under this item, but only to the extent incurred in furtherance of the Redevelopment Plan and set forth in a written agreement with the City.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.

Sources of Funds

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is 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, resulting in a tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

Funds necessary to pay Redevelopment Project Costs may be derived from a number of authorized sources. The principal source of anticipated revenues is real property tax increments generated by new private development. There may be other local sources of revenue, including land disposition proceeds that the City determines are appropriate to allocate to the payment of Redevelopment Project Costs. The City may explore the availability of funds from state and Federal programs to assist in financing the project costs. The City may incur redevelopment project costs which are paid from City funds other than incremental taxes, and the City may be then reimbursed for such costs from incremental taxes.

The Project Area may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous project areas or other project areas separated only by a public right-of-way, and visa versa.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended. If the City finds that the goals, objectives and financial success of such contiguous project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred in the form of a loan between such areas.

The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas designated under the Act or the Law, shall not at any time exceed the total Redevelopment Project Costs described in Table P-3 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the City may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

Nature and Term of Obligations to be Issued

Under the Act, the City may issue tax increment revenue obligation bonds and other obligations secured by incremental property taxes generated in the Project Area pursuant to the Act for a term not to exceed twenty years. All such obligations shall be retired no later than December 31 of the year in which the

payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2023). The City may also issue general obligation bonds.

All obligations may be secured after issuance by projected and actual tax increment revenues and by such debt service reserves and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations (providing for reserves and sinking funds) and Redevelopment Project Costs may be declared surplus and become available for distribution to the taxing districts in the Project Area in the manner provided by the Act.

One or more issues of obligations may be sold at one or more times in order to implement the Redevelopment Plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

The City may, by ordinance, in addition to obligations secured by the tax allocation fund, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- Net revenues of all or part of any redevelopment project;
- Taxes levied and collected on any or all property in the City;
- The full faith and credit of the City;
- A mortgage on part or all of a redevelopment project;
- Any other taxes or anticipated receipts that the City may lawfully pledge.

Equalized Assessed Valuation

The most recent (1998) equalized assessed valuation (EAV) of the Project Area is \$1,151,061 (see Table P-4 below). This EAV is based on 1998 EAV figures collected by Teska Associates, Inc. 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 in the Project Area will be calculated by the County.

Table P-4 Equalized Assessed Value

Parcel	1998 EAV
13-04-229-031	\$312,253
13-04-229-034	\$214,339
13-04-229-035	\$22,660
13-04-229-042	\$15,874
13-04-229-047	\$90,082
13-04-229-048	\$233,905
13-04-229-049	\$52,699
13-04-229-056	\$209,249
Total	\$1,151,061

Upon completion of anticipated private development of the Project Area, it is anticipated that the equalized assessed valuation will be in excess of \$6.6 million. This projection is based upon the construction of a new mixed use development including commercial and residential components, at prevailing market construction costs and lot coverage ratios. The calculation assumes that assessments appreciate at a rate of 2% per year. The projection represents a 470% increase in the total equalized assessed valuation. New projects of a different nature, rehabilitation of existing buildings, or appreciation of real estate values may vary this increase in equalized assessed valuation.

Affordable Housing

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

VII FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Pursuant to the Act, TAI makes the following findings:

Project Area Not Subject to Growth

Although the City and its surrounding regional area, as a whole, have evidenced growth, the Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The lack of growth is evidenced by the following factors:

Lack of New Construction / Renovation by Private Enterprise

Building permit records in the Project Area for the period from January 1993 to August 1999 were obtained from the City. Only 2 building permits were issued to the Project Area, both during 1993 (see [Table P-5](#)). Considering the deteriorated and blighted state of the buildings in the Project Area, the lack of investment, as shown by building permit activity, is quite evident. Clearly, new construction and renovation by private enterprise has not occurred in the Project Area recently.

Table P-5 Building Permits in the Project Area, January 1993 to August 1999

Address	Type of Permit	Value
6020 N. Cicero Avenue (Edens Motel)	repair	12,750
6028 N. Cicero Avenue (Edens Car Wash)	addition	35,000
Total		\$47,750

Equalized Assessed Values that Fail to Keep Pace with the City as a Whole

Between 1993 and 1998 the Equalized Assessed Valuation of the Project Area decreased from \$1,382,822 to \$1,151,061, a decrease of 17%, or an average annual decrease of 3.4%. By contrast, over the same time period, the Equalized Assessed Value of the City as a whole increased from \$30,952,341,898 to \$37,218,840,213, which represents an increase of 20.2%, or an average annual increase of 4.04%. Thus the level of investment and property appreciation within the Project Area is substantially lower than the City as a whole.

VIII FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. 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.

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

Demand on Taxing District Services

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

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

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

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

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

Board of Education of the City of Chicago and Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

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

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.

The replacement of vacant and underutilized property with mixed (commercial/residential) use development may cause increased demand for services and/or capital improvements to be provided by these taxing jurisdictions. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Cook County. The replacement of vacant and underutilized property with mixed use development may introduce new residents to the Project Area who may generate increased demand for the services and programs provided by the County. However, it is likely that the majority of new residents in the Project Area will relocate from other parts of Cook County, and the increase in demand for services provided by Cook County is not expected to be significant. The City will work with the County to address any increase that does arise.

Cook County Forest Preserve District. The replacement of underutilized properties with mixed use development may increase the population within the Project Area. However, the majority of new residents in the Project Area will likely relocate from other parts of the Forest Preserve jurisdiction, so that demand for recreational services and programs provided by the Forest Preserve District is not expected to increase in a significant fashion. However, the City will work with the Forest Preserve to address any increase that does arise.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized property with mixed use development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized property with mixed use development is likely to cause increased demand for the services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board of Education of the City of Chicago and Associated Agencies. The replacement of vacant and underutilized properties with mixed use development may result in additional school-aged children in the Project Area. However, the number of new school children is expected to be inconsequential, and if the residential development is targeted toward seniors, the number of new schoolchildren may actually be zero. While the potential increase in school-aged children is not expected to be significant, the City will work with the Board of Education and the associated agencies to address any increase that does arise.

Chicago Community College District #508. The replacement of vacant and underutilized properties with mixed use development may result in an increase in population within the Project Area. Therefore, demand for educational services and programs provided by the community college district may increase, but this increase is not expected to be significant. However, the City will work with the Community College District to address any increase that does arise.

Chicago Park District. The replacement of underutilized properties with mixed use development may increase the population within the Project Area. As a result of this increase in population,

demand for recreational services and programs provided by the Park District may also increase slightly. Therefore, the City will work with the Park District to address any increase that does arise.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

IX OTHER ELEMENTS OF THE REDEVELOPMENT PLAN

Conformance with Land Uses Approved by the Planning Commission of the City

The Redevelopment Plan described herein includes land uses which will be approved by the City of Chicago as may be required by statute or City policy prior to the adoption of the Redevelopment Plan.

Date of Completion

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2023).

Implementation Schedule

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Project is no later December 31, 2023.

Provision for Amending the Redevelopment Plan

The Redevelopment Plan may be amended pursuant to provisions of the Act.

Affirmative Action and Fair Employment Practices

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

1. The assurance of equal opportunity in all personnel and employment actions, including, but not limited to: hiring, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
2. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirements as required in redevelopment agreements.
3. This commitment to affirmative action will ensure that all member of the protected groups are sought out to compete for job openings and promotional opportunities.

In order to implement these principles, 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.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of gender, color, race or creed, etc. Neither party will countenance discrimination against any employee or applicant because of gender, marital status, national origin, age or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

Anyone involved with employment or contracting activities for this Redevelopment Plan and Project will be responsible for conformance with this policy and the compliance requirements of applicable city, state, and Federal laws and regulations.

The City and the private developers involved in the implementation of the Redevelopment Plan and Project will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the Project Area. Any public/private partnership established for the development project in the Project Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Chicago.

Peterson/Cicero Redevelopment Area

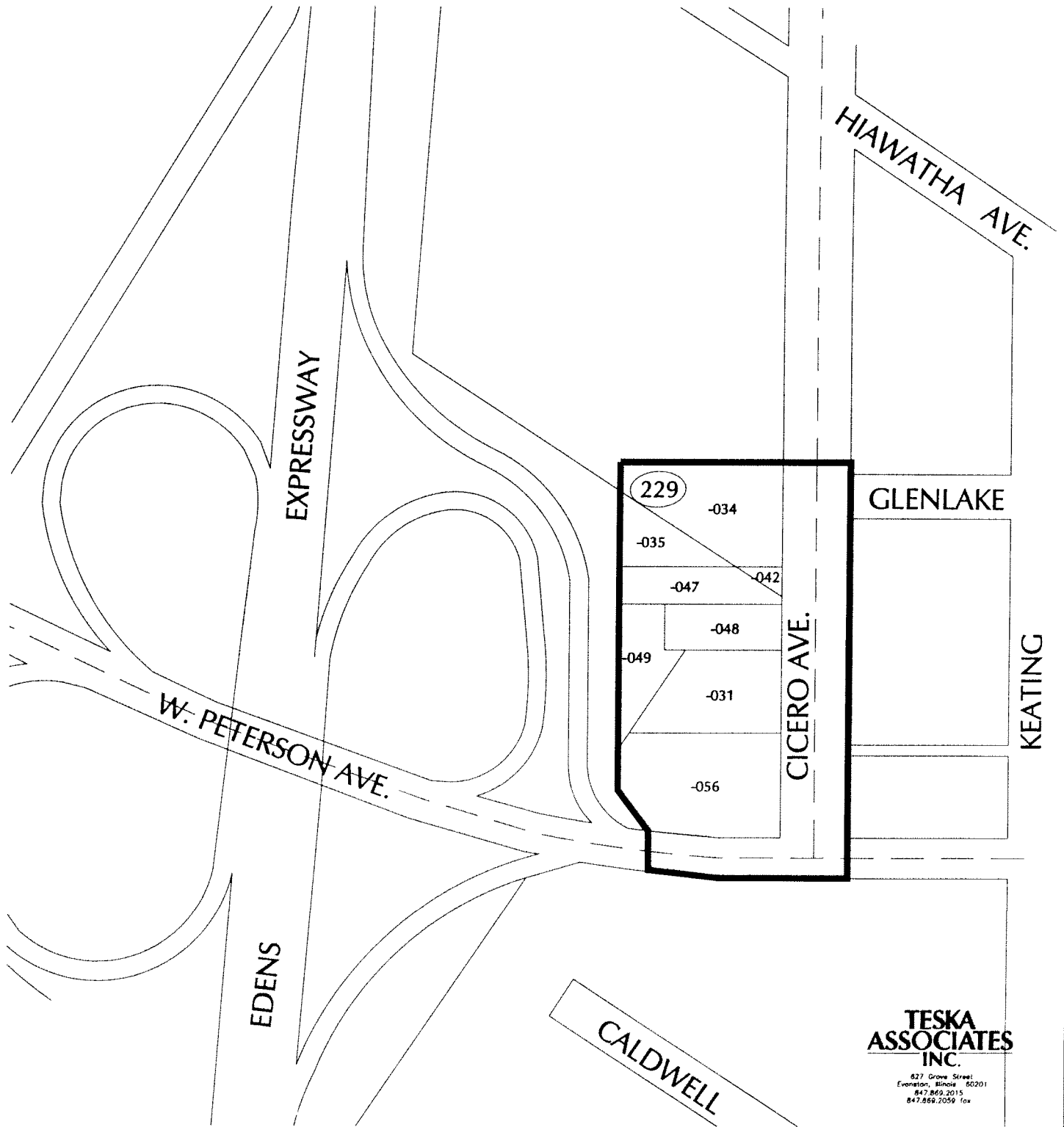
Figure A: Project Area Boundary

0 100' 200'



— Project Area Boundary

October 7, 1999



**TESKA
ASSOCIATES
INC.**

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847.869.2015
847.869.2039 fax

Peterson/Cicero Redevelopment Area

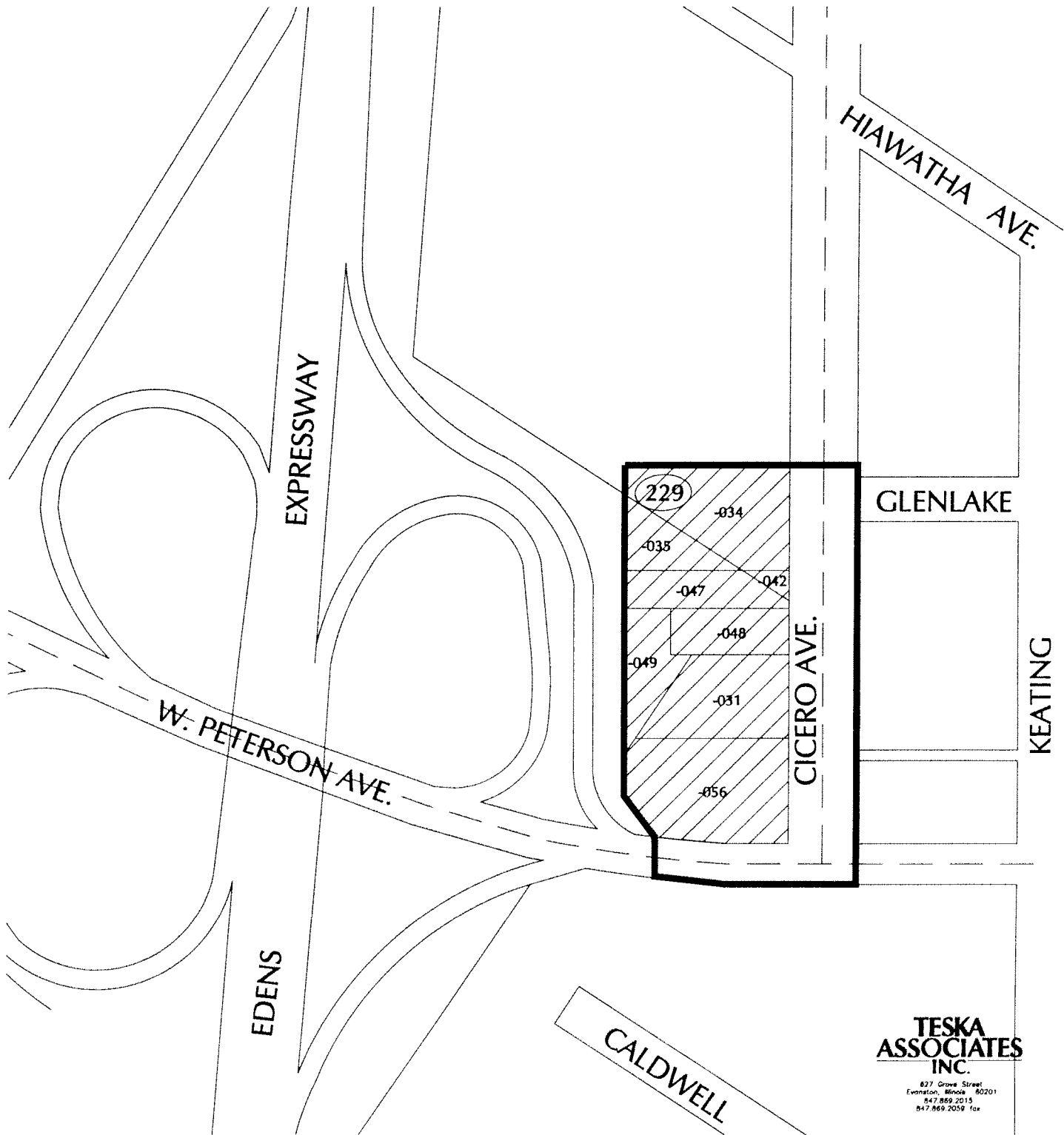
Figure B: Existing Land Use

0 100' 200'



- Project Area Boundary
- Commercial
- Right-of-Way

October 7, 1999



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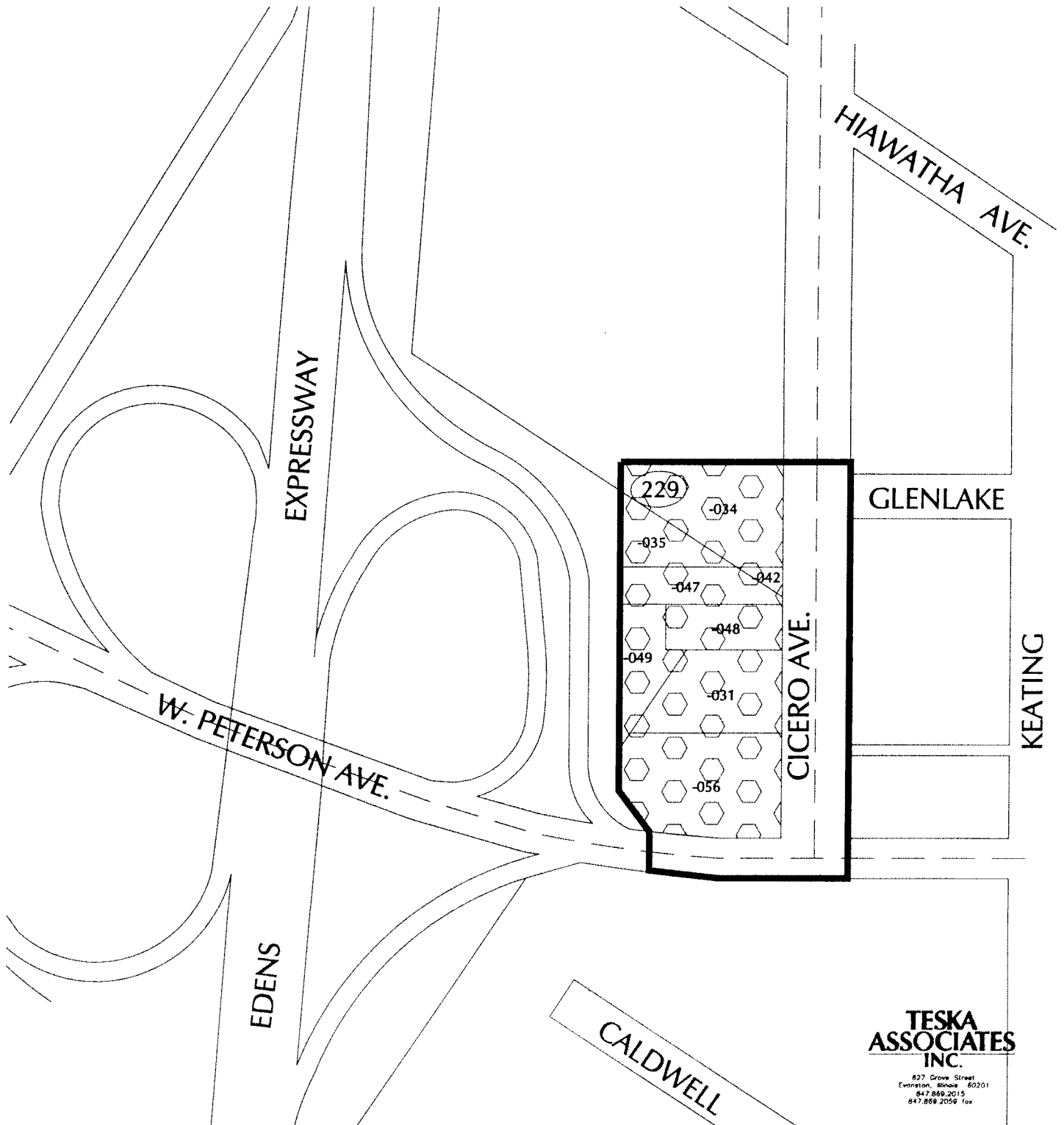
Figure C: Proposed Land Use

- Project Area Boundary
- Right-of-Way
- ◻ Mixed Use Commercial and Residential

0 100' 200'



October 7, 1999

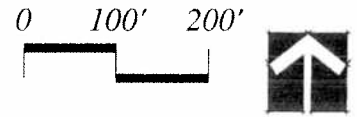


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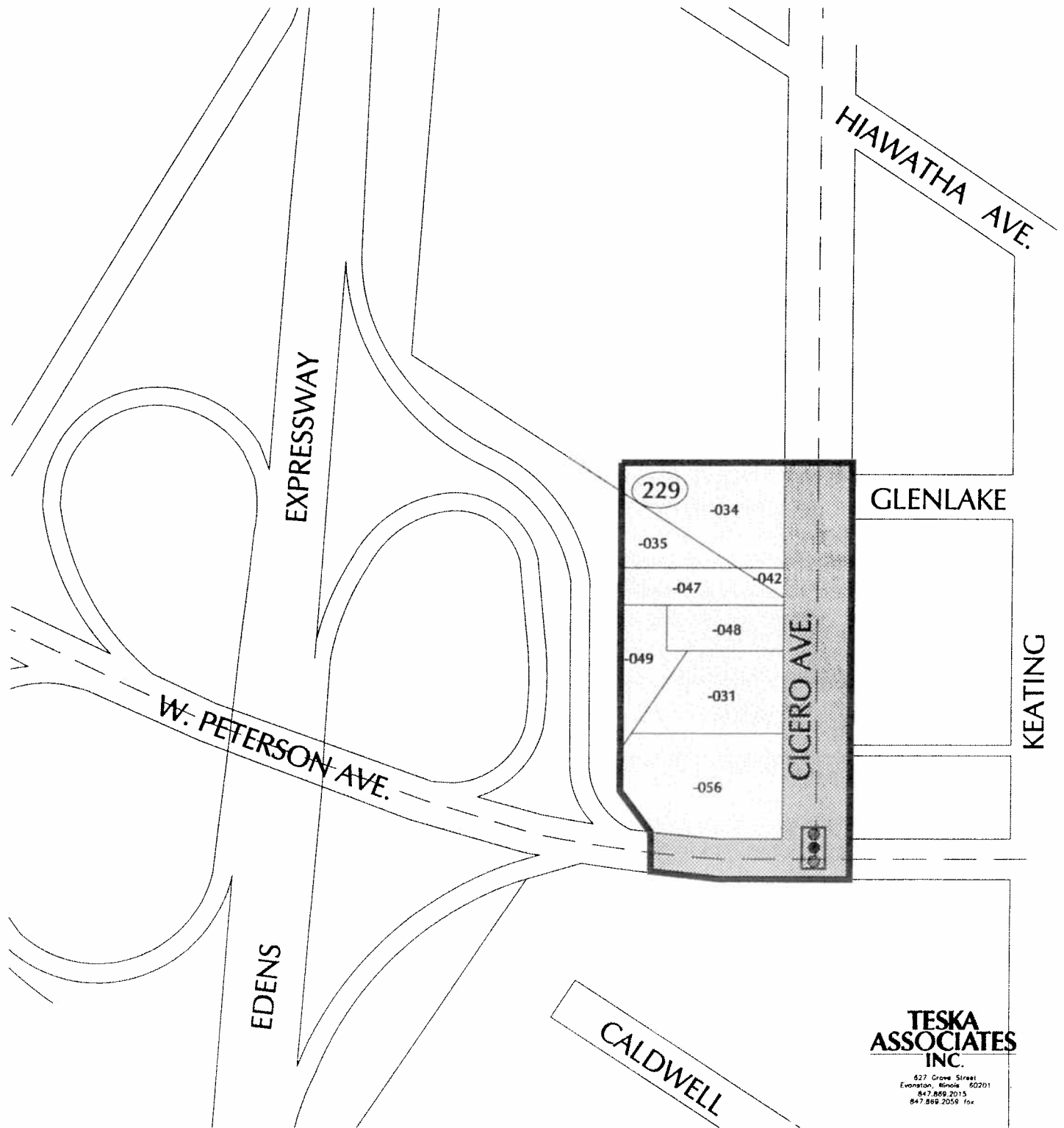
Peterson/Cicero Redevelopment Area

Figure D: Redevelopment Activities



- Project Area Boundary
- Traffic Lighting Improvements
- Redevelopment Site
- Streetscape

October 7, 1999



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Peterson/Cicero Redevelopment Area

Figure E: Land Acquisition Overview Map

0 100' 200'



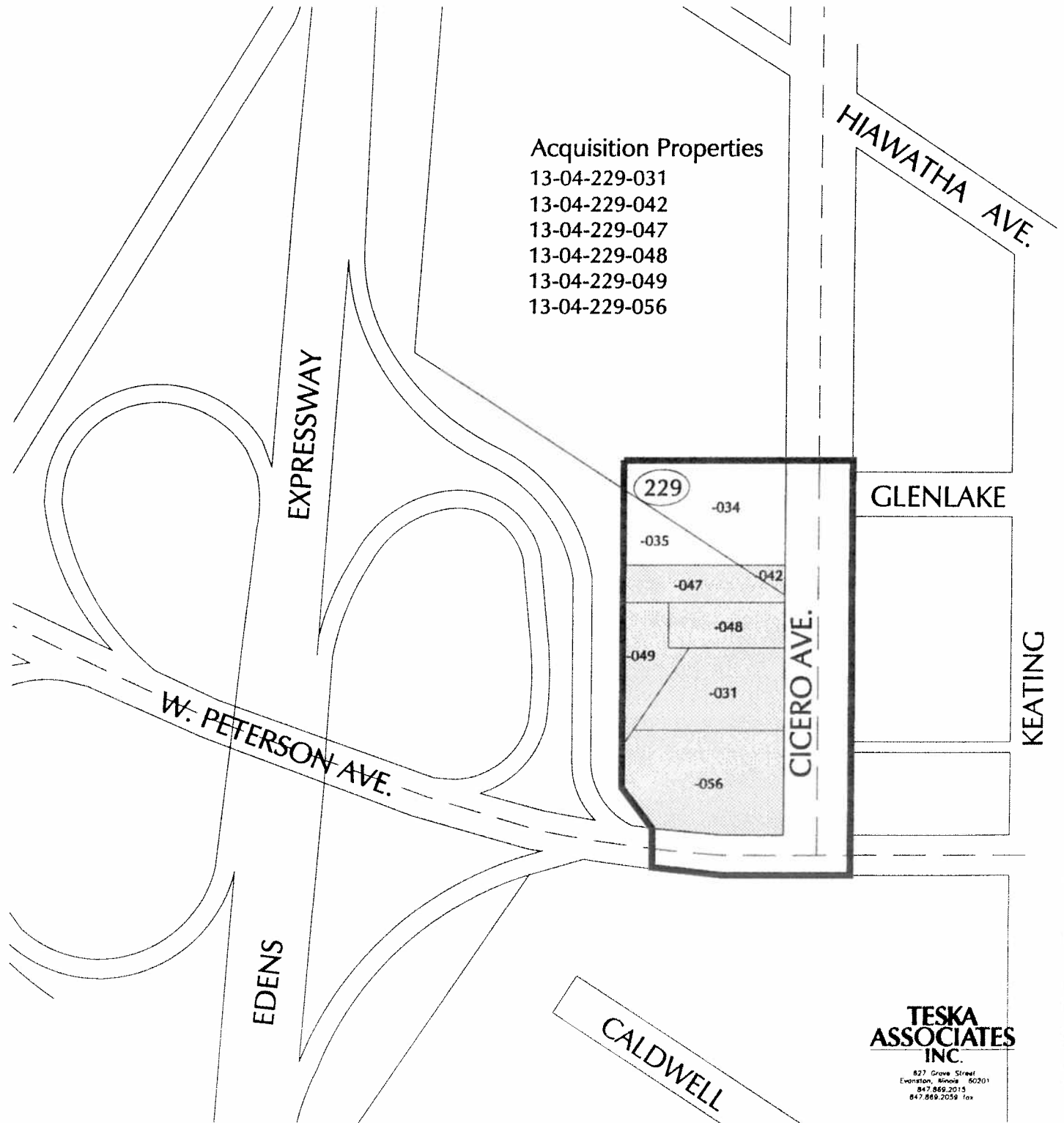
— Project Area Boundary

▨ Properties to be acquired

November 30, 1999

Acquisition Properties

- 13-04-229-031
- 13-04-229-042
- 13-04-229-047
- 13-04-229-048
- 13-04-229-049
- 13-04-229-056



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APPENDIX:
ELIGIBILITY STUDY

PETERSON/CICERO
TAX INCREMENT
FINANCING AREA
ELIGIBILITY STUDY

October 11, 1999

Introduction

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq. (1996 State Bar Edition), as amended (the "Act"), stipulates specific procedures which must be adhered to in designating a Project Area. A redevelopment project area is defined as:

"..an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(a) defines a "blighted area" as:

"...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose."

Determination of eligibility of the Peterson/Cicero Redevelopment Area (the "Project Area") for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County and the City of Chicago (the "City") against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation, which incorporates the definitions prepared by the Illinois Department of Revenue in its 1988 TIF Guide, as revised April 6, 1989.

Teska Associates, Inc. has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Project

Area under the Act; and (ii) the fact Teska Associates, Inc. has obtained the necessary information to conclude that the Project Area can be designated as a Project Area as defined by the Act.

The Project Area is eligible for designation as a "blighted area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, depreciation of physical maintenance, obsolescence, and excessive vacancies**. Under the Act, at least five of 14 listed blighted area factors must be present in and reasonably distributed throughout the Project Area for it to be considered an improved blighted area. The Project Area is characterized by five of the blighted area factors to a significant extent, and these factors are distributed throughout the Project Area. In addition, excessive land coverage, deleterious land use or layout, and lack of community planning are present to a minor extent.

Description of the Project Area

The Project Area consists of eight parcels of land at the northwest corner of Peterson Street and Cicero Avenue, and the adjacent public rights of way. The Project Area contains five structures: a vacant gas/service station, a vacant motel, a car wash, a small office building (the Burgess Building), and a second office building owned by a cultural organization (Polish National Alliance). The boundaries enclose approximately 4.8 acres of land within one legal block. Figure 1 delineates the precise boundaries of the Project Area.

Eligibility Findings

TAI conducted a field survey of the subject properties in July 1999. Based on an inspection of the improvements and grounds, field notes were taken which recorded the condition of the parcels. Photographs further document the observed conditions. Additional research was conducted at the Cook County Treasurer's Office and the City Building Department regarding tax delinquency, building code violations, and building permits.

If five of the 14 blighting conditions enumerated below are found to be widespread among the improved property within the Project Area, then the Project Area will qualify as a blighted improved area. Figure 2 illustrates the blighting factors which are present in the Project Area.

Age of Buildings

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the foundations and other structures within the Project Area, 4 out of 5 buildings in the Project Area (80%) are in excess of 35 years old. Age is therefore a major contributing factor in the designation of the Project Area.

Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or; (ii) the defects are so serious and extensive that the buildings must be removed.

No structures in the Project Area are characterized by this extreme physical state. Dilapidation is not a contributing factor toward the designation of the Project Area.

Deterioration

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

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration occurs in 3 of the 5 structures (60%) in the Project Area: the vacant gas/service station, the vacant motel, and the car wash. Both the gas station and the motel are highly visible from the adjacent arterial roadways, and from the Edens Expressway. The obvious presence of such substantial deterioration inhibits reinvestment of the entire Project Area, such that deterioration of buildings is a major contributing factor toward the designation of the Project Area.

Deterioration of Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

Every property in the Project Area is characterized by deteriorated surface improvements. The most widespread examples are seriously cracked and broken pavement on driveways, parking areas, steps, and curbs, and the complete lack of maintenance of any site landscaping. This widespread presence of deteriorated surface improvements is a major contributing factor to an overall blighted appearance in the entire Project Area.

Deterioration, both of structures and of surface improvements, is therefore a major factor in the designation of the Project Area.

Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair.

All 5 of the buildings in the Project Area exhibit depreciation of physical maintenance. Peeling paint, rotting wood, bent or broken fascia and soffits, broken or boarded windows, and cracks in walls are the most prevalent examples. Given the extent of this characteristic throughout the Project Area, depreciation of physical maintenance is a major factor in the designation of the Project Area.

Obsolescence

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use - not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub-categories:

Functional Obsolescence

Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Two parcels in the Project Area, the vacant gas/service station and the vacant motel, are functionally obsolete. These two parcels comprise the majority of the land area and the most prominent portions of the study area. Both have been abandoned due in part to the fact that the structure is no longer viable for the intended use. Neither have been re-used or re-occupied, suggesting that functional obsolescence is inhibiting investment.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

The site improvements associated with the vacant gas/service station and the motel are obsolete. Modern circulation and parking standards are not met. In addition, the car wash does not provide adequate stacking spaces for vehicles exiting the car wash. Inadequate exit area forces many vehicles to be dried and polished on the neighboring motel site. On all three of these properties, obsolescence inhibits reinvestment.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete.

Obsolete site platting is found on 7 of the 8 parcels (88%) in the Project Area. The area contains several triangular or other odd-shaped parcels, which would be extremely difficult to independently redevelop in a coherent manner.

Overall, the Project Area shows a significant degree of all three types of obsolescence, with every property displaying at least one type. Further, even if the number of parcels exhibiting particular types of obsolescence is small, the parcels which are affected are highly visible, causing a disproportionately large blighting effect. Obsolescence is a major factor in the designation of the Project Area.

Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey conducted by Teska Associates did not find evidence of illegal uses in the Project Area. Illegal uses are not a major factor in the designation of the Project Area.

Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Since 1994, both the Polish National Alliance building and the Edens Car Wash have been cited for code violations by the City. However, the limited occurrence of these violations, and the fact that the violations are not current, indicates that the presence of structures below minimum code standards is not a significant problem in the Project Area. Therefore, the presence of structures below minimum code standards does not contribute to the designation of the Project Area.

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Both the gas/service station and the motel are vacant, and have been so for a number of years. Given their accessible and highly visible location, the vacancies in these two structures have an extremely negative impact upon the entire Project Area, as well as surrounding properties. The extent and length of vacancies suggest that private investment is severely inhibited. Excessive vacancies is a major factor in the designation of the Project Area.

Overcrowding of Structures and Community Facilities

Overcrowding of structures refers to the overutilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. The Project Area does not exhibit any instances of overcrowding. Therefore, overcrowding does not contribute to the designation of the Project Area.

Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios;
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens; and
- Adequate ingress and egress to and from all rooms and units.

None of the buildings in the Project Area display a lack of adequate light and ventilation, although the vacant motel is completely boarded-up. Certainly, ventilation would have to be re-established in the unlikely event that the building was re-occupied. However, this factor does not significantly contribute to blighting conditions within the Project Area as a whole. Lack of ventilation, light, or sanitary facilities is therefore not a major factor in the designation of the Project Area.

Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas; and (ii) deteriorated, antiquated, obsolete, or in disrepair or are lacking.

While the condition of inadequate utilities has not been documented as part of the surveys and analyses undertaken within the Project Area, existing utilities may need to be relocated or upgraded to adequately serve new development. Inadequate utilities is not a major factor in the designation of the Project Area.

Excessive Land Coverage

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice, and contemporary development standards.

The sites within the study area are completely covered by buildings or asphalt. The absence of open space or site landscaping contributes to the sense of blight and decay. Certainly, these properties do not meet common contemporary standards for site development. However, excessive site coverage does not appear to make a significant contribution to the blighting of the site, and therefore can be considered only a minor factor in the designation of the Project Area.

Deleterious Land Use or Layout

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

One property, the car wash, is characterized by a deleterious land use and layout. The site layout does not allow for the appropriate function of the car wash, and its dysfunction is likely to spill off the site, affecting the function and marketability of adjacent sites. This layout poses circulation and safety hazards. However, because this problem occurs on only one parcel, deleterious land use and layout is only a minor factor in the designation of the Project Area.

Lack of Community Planning

This may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the development of the area. This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

The Project Area did develop without the guidance of a community plan. However, there is a concerted planning effort directed towards the redevelopment of the Project Area today. Therefore, lack of community planning can be considered only a minor factor in the designation of the Project Area.

Conclusion

The Project Area as a whole qualifies as a blighted area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following major characteristics (see Figure 2):

1. Age
2. Deterioration of buildings and surface improvements
3. Depreciation of physical maintenance
4. Obsolescence
5. Excessive vacancies

Further, the Project Area is characterized by the following factors to a minor extent:

1. Excessive land coverage
2. Deleterious land use and layout
3. Lack of community planning

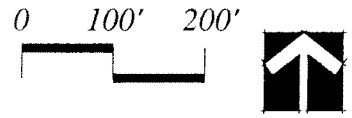
The presence of these factors is detrimental to the public health, safety and welfare, and contributes to the eligibility of the Project Area as a blighted area (see Table E-1). All of these characteristics point to the need for designation of the Project Area, to be followed by public intervention in order that redevelopment might occur.

Peterson Cicero TIF Eligibility Study
Table E-1 Summary of Blighting Factors
 Surveyed 7/21/99

	Building Condition			Obsolescence										Number of Buildings	Number of Parcels						
	Age Over 35 Years	Dilapidation	Deterioration	Depreciation of Phys. Main	Deteriorated Site Improvements	Functional Obsolescence	Obsolete Site Improvements	Obsolete Platting	Contains at Least One Obs. Char.	Illegal Use	Below Code	Abandoned	Excessive Vacancies	Overcrowded	Lack of Ventilation/Sanitary	Inadequate Utilities	Excessive Coverage	Deterious Use/Layout	Lack of Planning	Parcel Contains 1 or More Defects	
Number of Parcels Displaying Characteristic	4	0	3	5	8	2	3	7	8	0	2	0	2	0	0	0	0	1	0	8	5
as % of buildings	80%	0%	60%	100%		40%				0%	40%	0%	40%	0%	0%						
as % of all parcels					100%		38%	88%	100%	0%					0%		0%	13%	0%	100%	63%
Number of Blocks Displaying Characteristic	1	0	1	1	1	1	1	1	1	0	1	0	1	0	0	0	0	1	0	1	1
as % of all blocks	100%	0%	100%	100%	100%	100%	100%	100%	100%	0%	100%	0%	100%	0%	0%	0%	100%	0%	0%	100%	100%

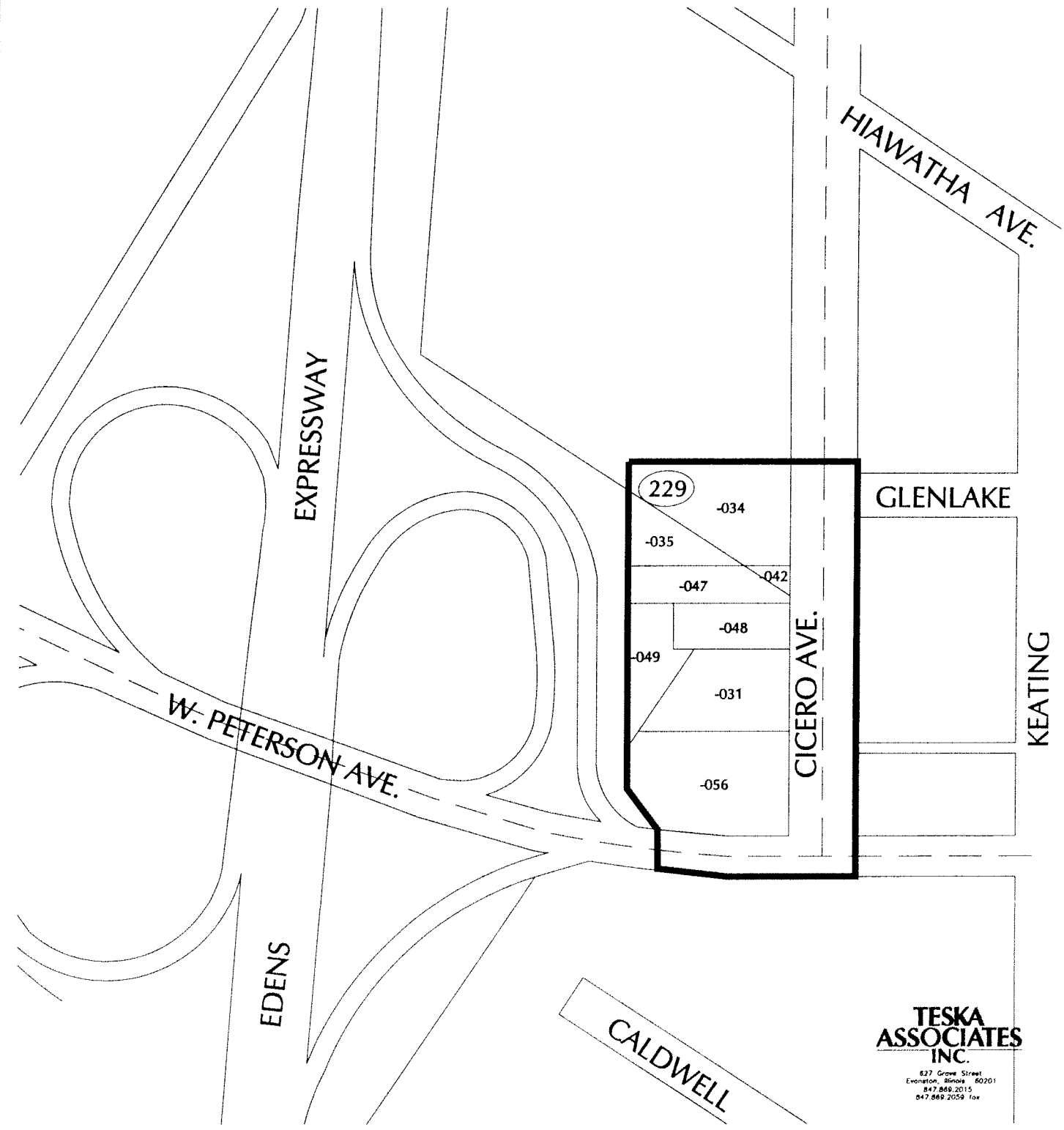
Peterson/Cicero Redevelopment Area

Figure 1: Project Area Boundary



— Project Area Boundary

October 5, 1999



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Peterson/Cicero Redevelopment Area

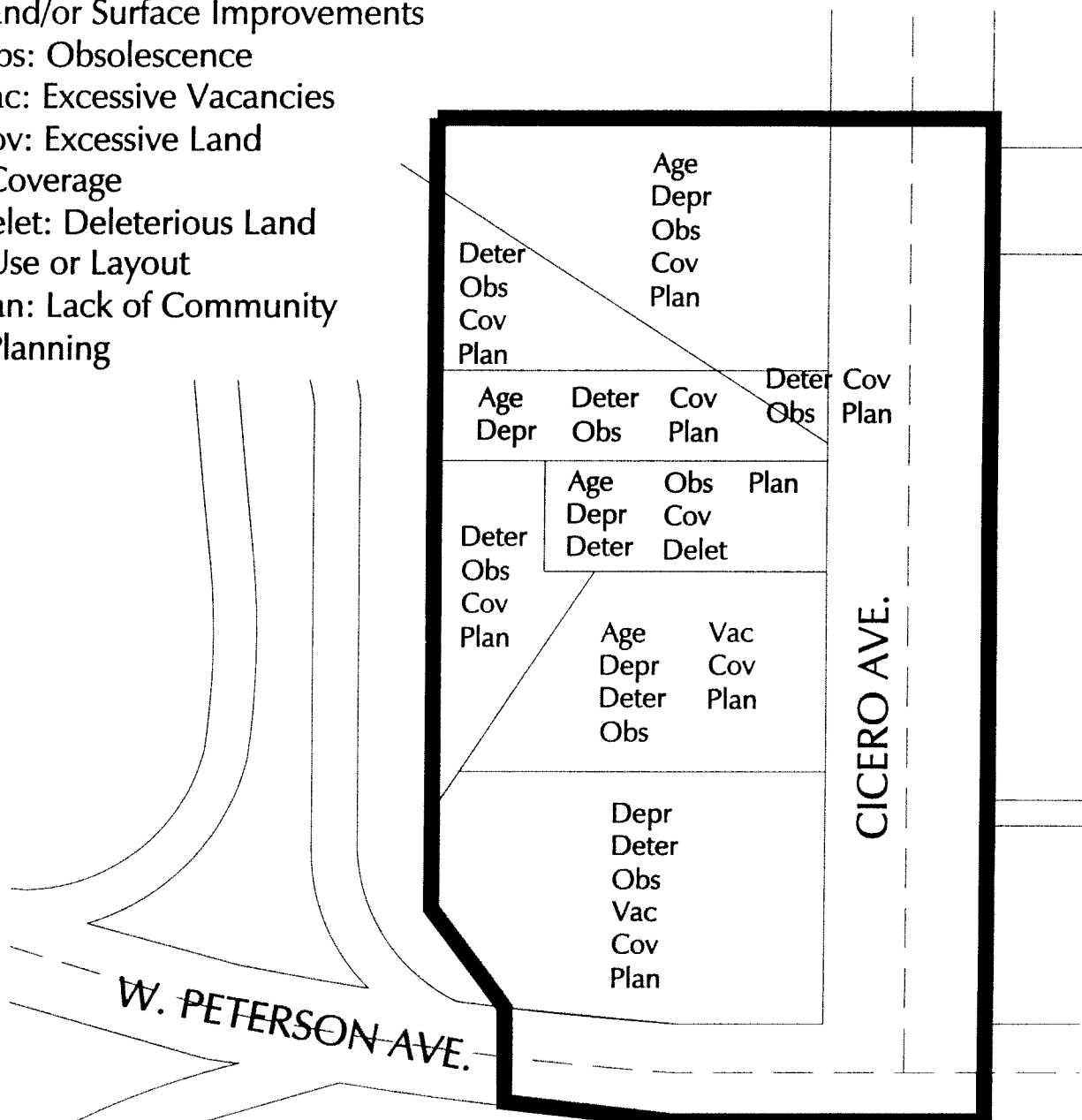
Figure 2: Distribution of Blighted Factors

- Age: Age over 35 years
- Depr: Depreciation of Physical Maintainance
- Deter: Deterioration of Buildings and/or Surface Improvements
- Obs: Obsolescence
- Vac: Excessive Vacancies
- Cov: Excessive Land Coverage
- Delet: Deleterious Land Use or Layout
- Plan: Lack of Community Planning

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OCTOBER 5, 1999



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