City of Chicago

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Title: Pulaski Corridor Tax Increment Financing, Redevelopment Plan and Project Amendment No. 3 dated July 29, 2022

Committee(s) Assignment:

Chicago City Clerk-Council Div.
2022 JUL 29 PM2:26

DEPARTMENT OF LAW

CITY OF CHICAGO

July 29, 2022

Ms. Anna M. Valencia
City Clerk
City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Re: Proposed Pulaski Corridor Tax Increment Financing, Redevelopment Plan and Project Amendment No. 3 dated July 29, 2022 (the "Amendment")

Dear Ms. Valencia:

I enclose the Amendment. Please make the Amendment available in your office as of this date for public inspection in accordance with the requirements of Section 5/11-74.4-5(a) of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended. If you have any questions with respect to this matter, please contact me at 312-744-1887 or Charles.Rodgers@cityofchicago.org.

Sincerely,

Charles E. Rodgers, Jr.
Assistant Corporation Counsel

Enclosure

cc: Scott D. Fehlan
Tim Jeffries, DPD

Chicago City Clerk-Council Div.
2022 JUL 29 PM2:26

PULASKI CORRIDOR
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT

Adopted Plan: January 29, 1999

Amendment No. 1: October 3, 2012

Amendment No. 2: July 30, 2014

Amendment No. 3:

July 29, 2022

City of Chicago

Lori E. Lightfoot, Mayor

Department of Planning and Development

Maurice D. Cox, Commissioner

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Prepared by:

Johnson Research Group, Inc.
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Chicago, IL 60602

Pulaski Corridor
Tax Increment Financing Redevelopment Plan and Project
Amendment No. 3

AMENDMENT NO 3. EXECUTIVE SUMMARY

The Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et.seq., as amended (the "Act") to provide municipalities with the mechanism to address blighted conditions, encourage private investment and to restore and enhance the tax base through development and redevelopment of project areas. To induce redevelopment pursuant to the Act, the City of Chicago City Council adopted three ordinances on January 29, 1999 approving the Pulaski Corridor Tax Increment Financing Redevelopment Project and Plan (the "Original Plan"); designating the Pulaski Corridor Project Area (the "Original Project Area"); and adopting tax increment financing for the Original Project Area (the "Pulaski TIF").

The Original Plan was amended on October 3, 2012 to change land uses proposed with respect to certain parcels of property ("Amendment No. 1"). The Original Plan was amended a second time on July 30, 2014 to allow for a 24th year of the TIF, thereby extending the term of the Pulaski TIF to December 31, 2023 ("Amendment No. 2").

The Original Plan is being further amended to extend its term by 12 years for (i) a completion date of December 31, 2035, (ii) amend the redevelopment project estimated costs, (iii) bring the Original Plan up to current City ordinance and policy standards, and (iv) identify updates to the general land use plan and goals and objectives. Additionally, the boundaries of the Original Project Area have been expanded to include 14 PINs generally bounded by Pulaski Road, Wabansia Avenue, the alley west of Pulaski Road, and the alley north of North Avenue (the "Added Area") as described in more detail in the supplemental report entitled, Pulaski Corridor TIF Tax Increment Financing Added Area Eligibility Study ("Added Area Eligibility Study"). The Added Area, together with the Original Project Area, is referred to as the "Amended Project Area." These changes, collectively, are encapsulated in this document, referred to as Amendment No. 3 and serve as a supplement to the Original Plan and subsequent amendments. In this document and in remaining portions of the Original Plan, the term "Plan," "Amended Plan" or "Amendment No. 3" may be used interchangeably and refer to the changes to date as reflected in this Amendment No. 3 document.

On and after November 1, 1999, no existing redevelopment plan may be amended if the redevelopment plan causes the displacement of residents from 10 or more inhabited residential units unless the municipality undertakes a housing impact study or certifies that such displacement will not result from the plan. The City hereby certifies that there will not be displacement of 10 or more inhabited units within the redevelopment project area. As such, a housing impact study is not required as part of Amendment No. 3.

The Plan summarizes the analyses and findings of the consultant's work, which, unless otherwise noted, is the responsibility of (the "Consultant"). The City is entitled to rely on the findings and conclusions of this Plan in designating the Added Area as a redevelopment project area under the Act. The Consultant has prepared this Amendment No. 3 and the related supplemental eligibility study for the Added Area with the understanding that the City would rely: 1) on the findings and conclusions of Amendment No. 3 and the related Added Area Eligibility Study in proceeding with the expansion of the Original Project Area and the adoption and implementation of Amendment No. 3, and 2) on the fact that the Consultant has obtained the necessary information so that Amendment No. 3 and the related supplemental eligibility study will comply with the Act.

MODIFICATIONS TO THE ORIGINAL PLAN AND PROJECT

The changes to the Original Plan are presented section by section and follow the format of the Original Plan. Changes to the Original Plan are prefaced in italics and followed with the appropriate changes and replacement text. This Amendment No. 3 document serves as a supplement to the sections of the Original Plan that remain unchanged.

SECTION I - INTRODUCTION AND EXECUTIVE SUMMARY

Under Subheading A, remove the second sentence of the first paragraph and insert the following:

The Amended Project Area is comprised of approximately 384.4 acres and includes 115 (full and partial) city blocks.

Under subheading B. Existing Conditions, the following paragraphs are added to the end of the subsection:

The Added Area

The Added Area consists of 14 parcels, one of which is improved with a single-story brick commercial building. The remainder of the Added Area include four vacant lots and two parking lots, only one of which is in active use. For purposes of eligibility analysis, the parcel with the commercial building has been evaluated under Improved Area criteria and the parking areas and vacant lots have been evaluated under Vacant Area criteria.

The Improved Area is characterized by age, deterioration of the building and site, protracted vacancies; and obsolescence.

The Vacant Area is characterized by deterioration on site and in neighboring properties, and environmentally hazard conditions.

The Added Area as a whole has not been subject to private investment for a decade or more. Building permits for the last 10 years include four wrecking/demolition permits and one repair permit.

An update of Existing Land Uses as of April 2022 is illustrated in **Exhibit B. Existing Land Use: 2022 Update**. An update of current zoning as of April 2022 is illustrated in **Exhibit E.1 – E.3. Generalized Existing Zoning Maps: 2022 Update**.

Under subheading D. Redevelopment Plan Purpose, the paragraph is deleted and replaced with the following:

Tax increment financing ("TIF") is permitted by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"). The Act sets forth the requirements and procedures for establishing a redevelopment project area and a redevelopment plan. The Original Plan includes the documentation as to the qualifications of the Original Project Area. Amendment No. 3 includes the documentation as to the qualifications of the Added Area. The purposes of this Amendment No. 3 are to provide an instrument that can be used to guide the correction of Amended Project Area problems, attract new private development that will produce new employment and tax increment revenues and to stabilize existing development in the Amended Project Area. This Amendment No. 3 identifies those activities, sources of funds, procedures and various other necessary requirements in order to implement tax increment financing pursuant to the Act.

Under subheading F. Redevelopment Plan and Project Activities and Costs, replace the last sentence in the second paragraph with:

The total estimated cost for the activities listed in **Table 3** are $161,400,000.

Under subheading G. Summary & Conclusions, the following is added at the end of this subjection:

The Added Area

The Added Area meets the requirements of the Act for designation as a conservation area. The eligibility findings presented in the Added Area Eligibility Study indicate that the Added Area is in need of revitalization to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Added Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without intervention by the City.

SECTION II - LEGAL DESCRIPTION AND PROJECT BOUNDARY

Replace the last sentence of the first paragraph with the following sentence:

Since the boundaries of the Amended Project Area include approximately 384.4 acres of land, the statutory minimum of 1.5 acres is exceeded.

After the second paragraph, add the following paragraph:

The boundaries of the Amended Project Area are illustrated in **Exhibit A. Amended Project Area.** The boundaries of the Added Area are legally described in **Attachment Six – Added Area Legal Description.**

After the last paragraph, add the following paragraph:

A listing of the permanent index numbers and the 2020 equalized assessed value for all properties in the Added Area is included in **Attachment Seven - Estimated EAV by Tax Parcel**.

SECTION III - STATUTORY BASIS FOR TAX INCREMENT FINANCING

In subsection B. The Redevelopment Plan for the Pulaski Corridor Tax Increment Financing Redevelopment Project Area, replace the last sentence of the fifth paragraph (within parenthesis) with the following text:

(Also, see Appendix – **Attachment One, Eligibility Study** and **Attachment Five, Pulaski Corridor Tax Increment Financing Added Area Eligibility Study**).

SECTION IV - REDEVELOPMENT GOALS AND OBJECTIVES

Add the following planning studies under the fourth sentence of the first paragraph:

4. Bloomingdale Trail and Park Framework Plan, August 2013, Chicago Department of Transportation.

5. We Will Chicago, Chicago Department of Planning and Development

Just before the last paragraph prior to subsection A, add the following paragraph:

The boundaries of the Amended Project Area are shown in **Appendix – Attachment Two, Exhibit A. Amended Project Area Boundary**.

In subsection, A. General Goals for Pulaski Area, add the following goal:

8. Preserve and increase affordable, quality and accessible housing choices for all incomes and special needs.

In subsection, B. Redevelopment Objectives, add the following objectives:

14. Create a signature public green space to help meet the needs of a growing population and supply outlets for families that encourage community engagement.

15. Integrate access to green spaces into the city's transportation, parks, and social infrastructure along the Bloomingdale Trail.

16. Preserve and maintain existing affordable housing and develop a wide range of housing units affordable to residents at all incomes.

In subsection, C. Development and Design Objectives, 1. Land Use, remove the last bullet and replace with the following sentence:

- Encourage continued expansion of business and industrial services in the Amended Project Area where concentrations of sound businesses exist.

In section, C. Development and Design Objectives, 5. Landscaping and Open Space, add the following bullet point:

- Balance trail and park aspirations to create an environment where pedestrians and cyclists are safe and maximize the enjoyment of outdoor spaces for a variety of users.

SECTION V. - BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS

In Section B. Area Background Information, remove the last sentence of the first paragraph and replace it with the following sentence:

The Amended Project Area contains nearly 384.4 acres and consists of 115 (full and partial) blocks.

Remove the third paragraph and replace it with the following:

The Amended Project Area consists of 115 (full and partial) city blocks, 513 buildings, and approximately 897 parcels covering nearly 384.4 acres. Of the nearly 384.4 acres in the Amended Project Area, the gross land use percentage breakdown is as follows (as of June 2022): industrial – 32.8%; commercial – 18%; residential – 5.1%; institutional and other exempt uses – 14.9%; vacant undeveloped parcels – 0.6%, and public right-of-way – 28.6%.

Insert table in section D. Existing Land Use and Zoning Characteristics with the following table:

Table 1 – Tabulation of Existing Land Use: 2022 Update (Gross Area)

Land Use	Land Area Gross Acres	% of Gross Land Area
Industrial (Includes Parking, Loading, Storage)	126.2	32.8
Commercial	69.1	18.0
Public, Institutional, Medical, Social Service, Semi-Public	57.3	14.9
Vacant Undeveloped Land	2.5	0.6
Public Right-of-Way	109.8	28.6
Residential Uses	19.5	5.1
TOTAL	**384.4**	**100**

Source: Cook County Assessor (2021), JRG (2022).

The following paragraphs are to be added following the final paragraph of Section V, Basis for Eligibility of the Added Area & Findings:

Added Area

The results summarized in this section are more fully described in a separate report which presents the definitions, applications and extent of the blight and conservation factors in the Added Area. The report, entitled Pulaski Corridor Tax Increment Financing - Added Area Eligibility Study is attached as Attachment Five to this Amendment No. 3. The Added Area includes both an Improved Area and a Vacant Area for purposes of eligibility.

1. **Improved Area.** The Improved Area consists of a one-story, vacant commercial building built in 1948. The Added Area qualifies as a conservation area under the improved property criteria as stated in the Act. Specifically,

    - Age Threshold: The single building is older than 35 years of age;
    - Of the 13 factors in the TIF Act, three (3) factors are present to a meaningful extent and reasonably distributed throughout the Improved Area. The Act requires the presence of three or more factors. These include:

        a. Obsolescence

        b. Deterioration

        c. Excessive vacancies

2. **Vacant Area.** The Vacant Area consists of 13 parcels, including four vacant lots, one active parking lot straddling six parcels, and one inactive parking lot straddling four parcels. The Vacant Area qualifies as a blighted area under the first set of vacant area criteria as stated in the Act.

    The Vacant Area exhibits a combination of two blight factors under the first set of vacant area criteria. A combination of two or more of some 6 factors set forth in the Act is required to qualify as a Vacant Blighted Area. Factors that are present include:

    1. Environmental Remediation Costs Required
    2. Deterioration of adjacent structures or site improvements

It can be reasonably concluded that the Added Area (i) has not been subject to growth through investment by private enterprise, and (ii) would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

SECTION VI - REDEVELOPMENT PLAN AND PROJECT

The first two paragraphs under subheading B. Generalized Land Use Plan are deleted and replaced with the following:

The generalized land use plan for Amendment No. 3 is presented in the Appendix, Attachment Two and entitled, Exhibit C, Generalized Land Use Plan: 2022 Update.

The last sentence of paragraph four under subheading B. Generalized Land Use Plan and the remaining paragraphs in this subsection are deleted and replaced with the following:

The generalized land use plan designates four (4) land use categories to guide development within the Amended Project Area as follows:

- **Industrial** – Industrial is the predominant land use in the Amended Project Area and allows for a wide mix of light to intense industrial land uses with a concentration of manufacturing uses. Limited office or commercial development that serves and supports the industrial uses are permitted in select locations in conformance with the underlying zoning. Within the industrial corridor, sound existing industries should be retained and enhanced and new large-scale industrial development should be encouraged and guided through the planned development process.
- **Commercial** – Within the Amended Project Area, there are several arterial corridors including Pulaski Road, Armitage Avenue, Fullerton Ave, and North Avenue. These corridors, once lined with small businesses that bustled with activity, have suffered from obsolescence and the draw of suburban malls and big box retailers. The revitalization of these corridors as vibrant, pedestrian-oriented, commercial corridors is a key component of a healthy community. Although the corridors may be home to a mix of uses including commercial and residential as well as complementary public or institutional uses, more intensive retail, service or entertainment uses are encouraged at key commercial nodes with good accessibility and at locations where similar and compatible uses exist. A concentration of neighborhood scale commercial uses that offer quality goods and services and promote pedestrian activity are encouraged in these areas to keep spending power within the community while enlivening the street.
- **Mixed-Use – Commercial/Residential** – The mixed-use land use designation recognizes that the primary commercial corridors of the early 20th century have given way to an urban blend of uses and intensity of development. These mixed-use areas serve as transitional uses between larger industrial areas or adjacent to commercial intensive nodes and predominantly residential areas on the interior of the neighborhood. This designation is intended to address a varied mix of primarily residential, commercial and light industrial uses that serve and complement the neighborhood.

  Residential use should be allowed where business or commercial use is not economically viable. Higher density, mixed-use and mixed income developments are encouraged where transit lines, accessibility and visibility come together to create an environment where the mix of uses serve and support residents, businesses, and employees.

Institutional use should be allowed where they exist currently and are allowed under zoning as complementary and supportive uses to both residential and business uses.

- **Open Space** – Public-Open Space areas include the existing public park and open space areas. In addition to several community parks, the Amended Area includes a portion of the Bloomingdale Trail. Additional park space and quality park programming is encouraged within the Amended Project Area to serve existing and future residents of existing neighborhoods and community areas.

  Bicycle path development and bike rental stations are encouraged at park and recreation locations, transit stations and other key pedestrian locations within the Redevelopment Project Area.

Delete the first five paragraphs in subsection C. Redevelopment Projects and replace with the following:

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

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

The City requires that developers who receive TIF assistance for market rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Planning and Development or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

Delete Table Three in subsection C. Redevelopment Projects.

Renumber paragraph 3. Property Assembly in subsection C. with the following:

1. Property Assembly

Delete the last paragraph in subsection C. Redevelopment Projects and replace with the following paragraphs:

2. Relocation

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

3. Provision of Public Works or Improvements

   The City may provide (or assist other public bodies in providing) public improvements and facilities that are necessary to service the Project Area in accordance with this

Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

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

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

c) *Transportation Infrastructure*
Improvements and/or expansion of existing or future CTA Rapid Transit Stations and bus stops in the Redevelopment Project Area may be provided to support the increased demand resulting from future development within the Redevelopment Project Area. Enhancements to or expansion of the 606 bicycle trail system, on-street bicycle path system, and bicycle stations may be provided to increase transportation options and recreational opportunities to, from and within the community.

4. Rehabilitation of Existing Buildings

   The City will encourage the rehabilitation of public and private buildings that are basically sound and/or historically or architecturally significant. This includes properties individually designated as Chicago Landmarks, contributing properties to Chicago Landmark Districts, properties individually listed to the National Register of Historic Places, contributing properties to National Register of Historic Places-listed historic districts, and properties identified as either "orange" or "red" in the Chicago Historic Resources Survey.

5. Job Training and Related Educational Programs

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

6. Taxing Districts Capital Costs

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

7. Interest Subsidies

   Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project, subject to the limitations outlined in the next section.

8. Affordable Housing

   Funds may be provided to developers for up to 50 percent of the cost of construction, renovation 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.

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

   Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects,

attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

The first sentence of paragraph one under subheading D. Assessment of Financial Impact is deleted and replaced with the following:

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand.

SECTION VII - STATUTORY COMPLIANCE AND IMPLEMENTATION STRATEGY

The first three paragraphs and the 11 numbered paragraphs immediately thereafter are deleted and replaced with the following:

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Amendment No. 3 (the "Redevelopment Project Costs."). The activities and improvements and their estimated costs are set forth in ***Table 1. Estimated Redevelopment Project Costs - 2022 Update***.

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

Eligible Redevelopment Costs

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

a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;

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

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

parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;

e) Costs of the construction of public works or improvements including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;

f) Costs of job training and retraining projects including the cost of **"welfare to work"** programs implemented by businesses located within the Project Area;

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

h) To the extent the 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 and project;

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

j) 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 or by Section 74.4-3(n)(7) of the Act;

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

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

by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

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

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
5. The cost limits set forth in paragraphs 2 and 4 above shall be modified to permit payment of up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

n) Instead of the eligible costs provided for in (m) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act;

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

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

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

TABLE 3. ESTIMATED REDEVELOPMENT PROJECT COSTS – 2022 UPDATE

Eligible Expense	Estimated Cost
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	4,700,000
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	42,000,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	42,000,000
Public Works & Improvements, including streets and utilities, transit infrastructure, parks and open space, public facilities (schools and other public facilities)[1]	37,500,000
Relocation Costs	8,000,000
Job Training, Retraining, Welfare-to-Work	16,000,000
Day Care Services	8,000,000
Interest Subsidy	3,200,000
TOTAL REDEVELOPMENT COSTS [2] [3]	**$161,400,000 [4]**

[1] This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Amended Plan No. 2.

[2] Total Redevelopment Project Costs represent an upper limit on expenditures that are to be funded using tax increment revenues and 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 Redevelopment Project Costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act.

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

[4] All costs are in 2022 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U.S. Department of Labor.

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

The following paragraph should be added to the end of subsection A. Most Recent Equalized Assessed Valuation:

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Added Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Added Area. The 2020 EAV of all taxable parcels in the Added Area is approximately $807,318. This total EAV amount, by PIN, is summarized in Attachment Seven. Added Area EAV by Tax Parcel. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Added Area will be calculated by Cook County. The Plan has utilized the EAVs for the 2020 tax year. If the 2021 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2020 EAV with the 2021 EAV.

The section with the subheading B. Redevelopment Valuation, shall be deleted in its entirety and replaced with the following:

By the tax year 2034 (collection year 2035) and following the substantial completion of the Redevelopment Project, the EAV of the Amended Project Area is estimated at approximately $251,400,000. The estimate is based on several assumptions, including 1) redevelopment of vacant and underutilized areas within the Amended Project Area will occur in a timely manner; 2) an estimated annual inflation rate in EAV of 2.0 percent through 2034, realized in triennial reassessment years only; and (6) the most recent state equalization factor of 3.2234 (2020 value) is used in all years to calculate estimated EAV.

The section with the subheading C. Sources of Funds, shall be deleted in its entirety and replaced with the following:

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

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

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of- way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in **Table 3. Estimated Redevelopment Project Costs: 2022 Update** of this Plan.

The paragraph in the section with the subheading D. Nature and Term of Obligation, shall be deleted in its entirety and replaced with the following:

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

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the **thirty-fifth** calendar year following the year in which the ordinance approving the Amended Project Area is adopted.

Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

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

The section with the subheading F. Commitment to Fair Employment Practices and Affirmative Action Plan, shall be deleted in its entirety and replaced with the following:

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

A) The assurance of equal opportunity in all personnel and employment actions, with

respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.

B) Redevelopers must meet the City's standards for participation of 26 percent Minority Business Enterprises and 6 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

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

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

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

Numbered paragraph 4 of subsection I. City Policies, shall be deleted in its entirety and replaced with the following:

4. The City requires that developers who receive TIF assistance for market rate housing set aside 20 percent of the units to meet affordability criteria established by the City's Department of Planning and Development or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100 percent of the area median income, and affordable rental units should be affordable to persons earning no more than 60 percent of the area median income.

MODIFICATIONS TO APPENDIX

Changes to select maps originally included in the Original Plan are indicated in italics and noted below each original. The Amended Plan No. 3 figures are found on the following pages.

Attachment One - Eligibility Study - *No changes*

Attachment Two- Maps and Plan Exhibits

Exhibit A – Boundary Map of TIF Area - *deleted and replaced with the following*

Exhibit A – Amended Project Area Boundary Map

Exhibit B – Existing Land Use Assessment Map – *append the following figure:*

Exhibit B. Existing Land Use: 2022 Update

Exhibit C - Generalized Land Use Plan – *delete and replace with the following:*

Exhibit C – Generalized Land Use Plan: 2022 Update

Exhibit D - Strategic Plan Boundary Map (12-96) - *No changes*

Exhibit E - Generalized Existing Zoning Map – *append the following figures:*

Exhibit E.1. Generalized Existing Zoning Map North: 2022 Update,

Exhibit E.2. Generalized Existing Zoning Map South: 2022 Update, and

Exhibit E.3. Generalized Existing Zoning Map East: 2022 Update.

Exhibit F - Block Number Key Map - *No changes*

Exhibit G - Enterprise Zone Map - *No changes*

Exhibit H-1 - Land Acquisition Map - *No changes*

Exhibit H-2 - Land Acquisition List - *No changes*

Attachment Three - Legal Description - *No changes*

Attachment Four - 1997 Estimated EAV by Tax Parcel - *No changes*

The following attachments are added at the end of the list of Appendices:

Attachment Five – Pulaski Corridor Tax Increment Financing Added Area Eligibility Study

Attachment Six – Added Area Legal Description

Attachment Seven – 2020 EAV by Tax Parcel: Added Area

Attachment Six – Added Area Legal Description

ALL THAT PART OF SECTION 34 IN TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHEAST CORNER OF LOT 28 IN BLOCK 25 OF GARFIED, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 34 AFORESAID, BEING ALSO A POINT ON THE NORTH LINE OF THE ALLEY LYING NORTH OF NORTH AVENUE AND THE WEST LINE OF PULASKI ROAD;

THENCE EAST ALONG THE EASTERLY EXTENSION OF THE SAID NORTH LINE OF THE ALLEY LYING NORTH OF NORTH AVENUE TO THE EAST LINE OF PULASKI ROAD;

THENCE NORTH ALONG THE EAST LINE OF PULASKI ROAD TO THE NORTH LINE OF WABANSIA AVENUE;

THENCE WEST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF WABANSIA AVENUE TO THE SOUTHEAST CORNER OF LOT 24 IN BLOCK 24 OF GARFIELD, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 34 AFORESAID, BEING ALSO A POINT ON THE WEST LINE OF THE ALLEY LYING WEST LINE OF PULASKI ROAD;

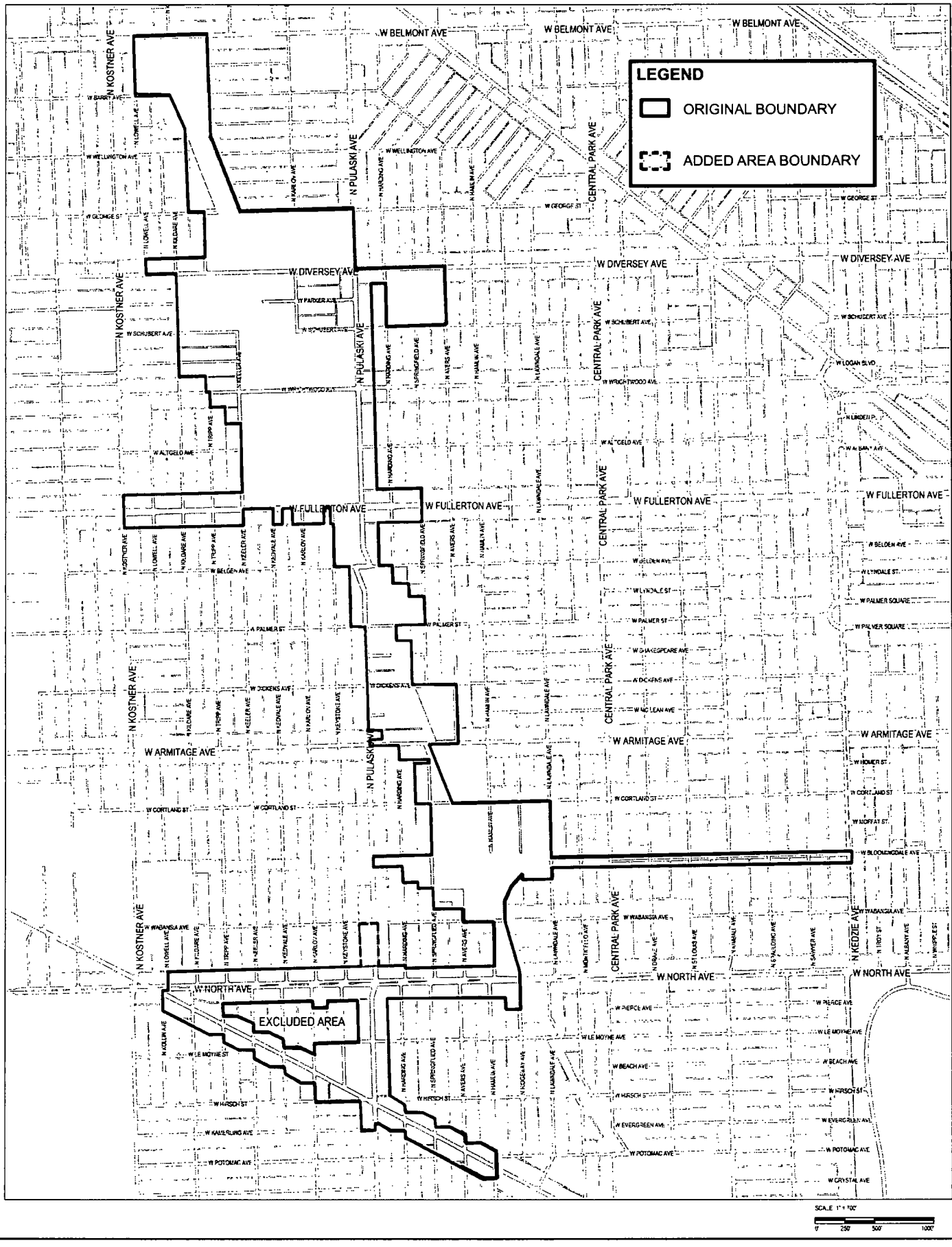
THENCE SOUTH ALONG THE WEST LINE OF THE ALLEY LYING WEST OF PULASKI ROAD TO THE SOUTHEAST CORNER OF LOT 17 IN BLOCK 25 IN GARFIELD, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 34 AFORESAID, BEING ALSO A POINT ON THE NORTH LINE OF THE ALLEY LYING NORTH OF NORTH AVENUE;

THENCE EAST ALONG THE NORTH LINE OF THE ALLEY LYING NORTH OF NORTH AVENUE TO THE POINT OF BEGINNING;

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

Attachment Seven – 2020 EAV by Tax Parcel: Added Area

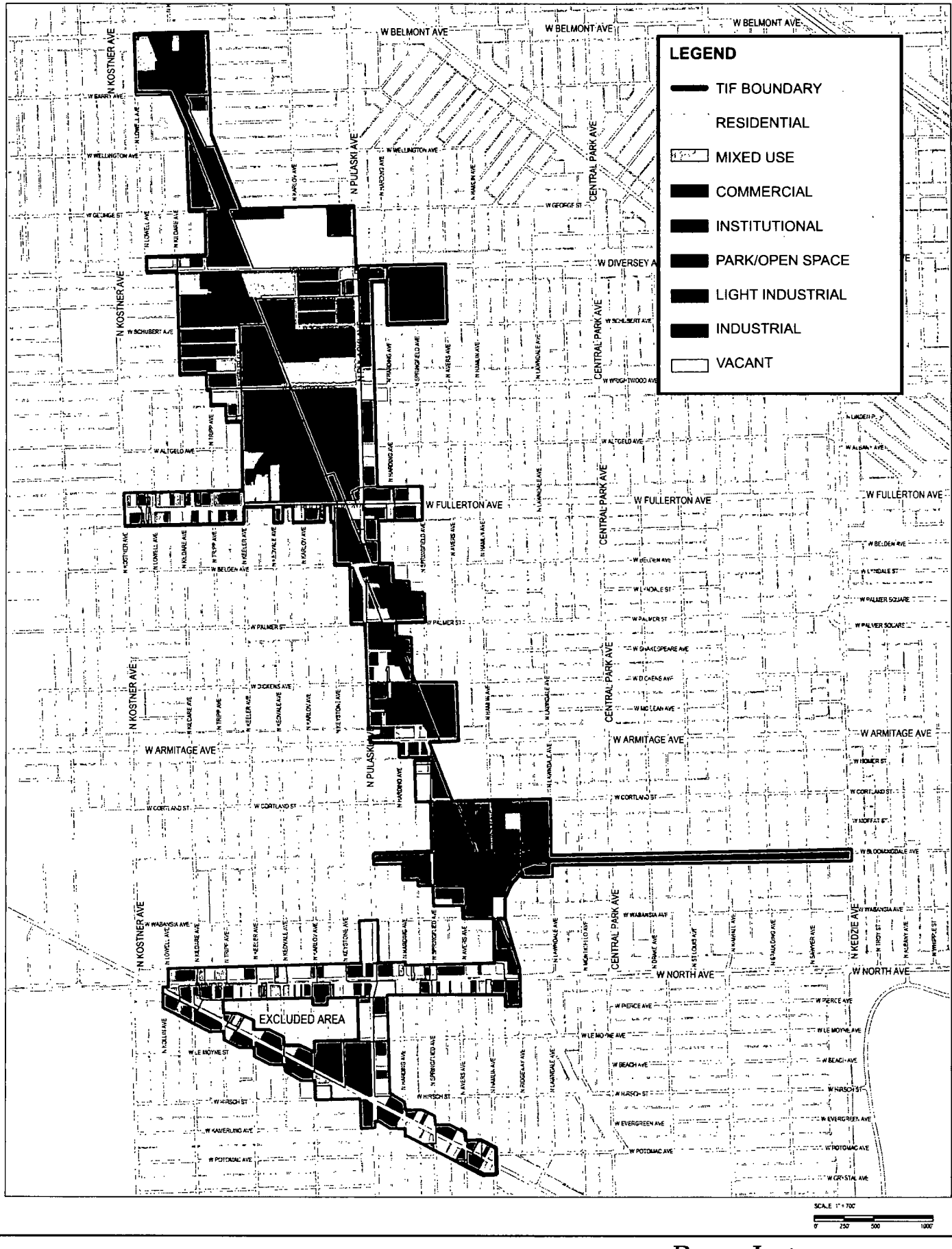
	ADDED AREA PIN	2020 EAV
1.	13-34-430-014-0000	19,904
2.	13-34-430-015-0000	52,255
3.	13-34-430-016-0000	45,518
4.	13-34-430-017-0000	45,489
5.	13-34-430-018-0000	18,132
6.	13-34-430-022-0000	46,520
7.	13-34-430-023-0000	46,520
8.	13-34-430-024-0000	141,133
9.	13-34-430-025-0000	47,236
10.	13-34-430-026-0000	18,132
11.	13-34-430-027-0000	18,132
12.	13-34-430-036-0000	36,263
13.	13-34-430-039-0000	251,225
14.	13-34-430-040-0000	20,859
	Total	**$807,318**



Date: JULY 08, 2022
Project #: 22-0209
Dwg File: Pulaski Map dwg

EXHIBIT A: AMENDED PROJECT AREA BOUNDARY MAP
PULASKI CORRIDOR TIF

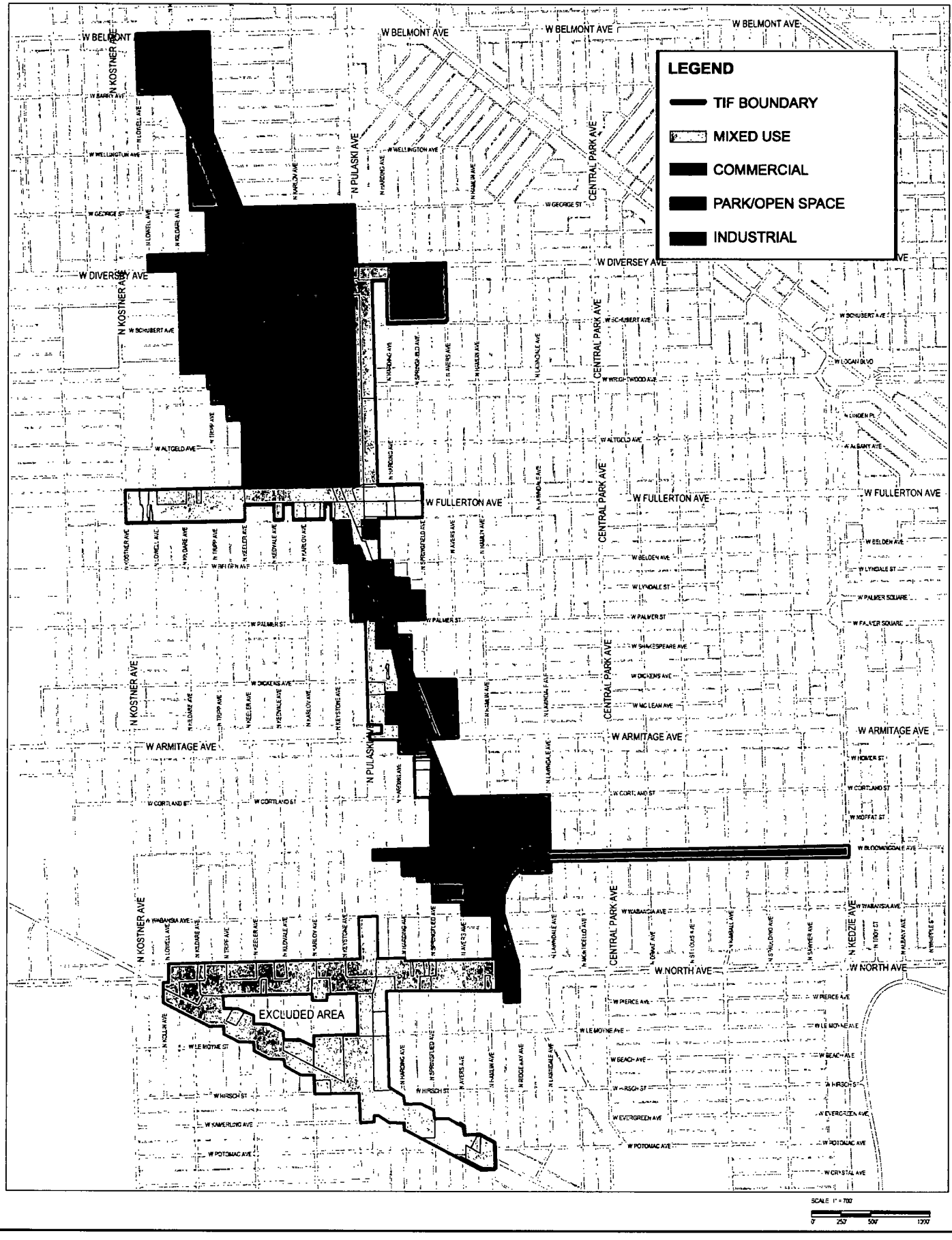
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EXHIBIT B: EXISTING LAND USE: 2022 UPDATE
PULASKI CORRIDOR TIF

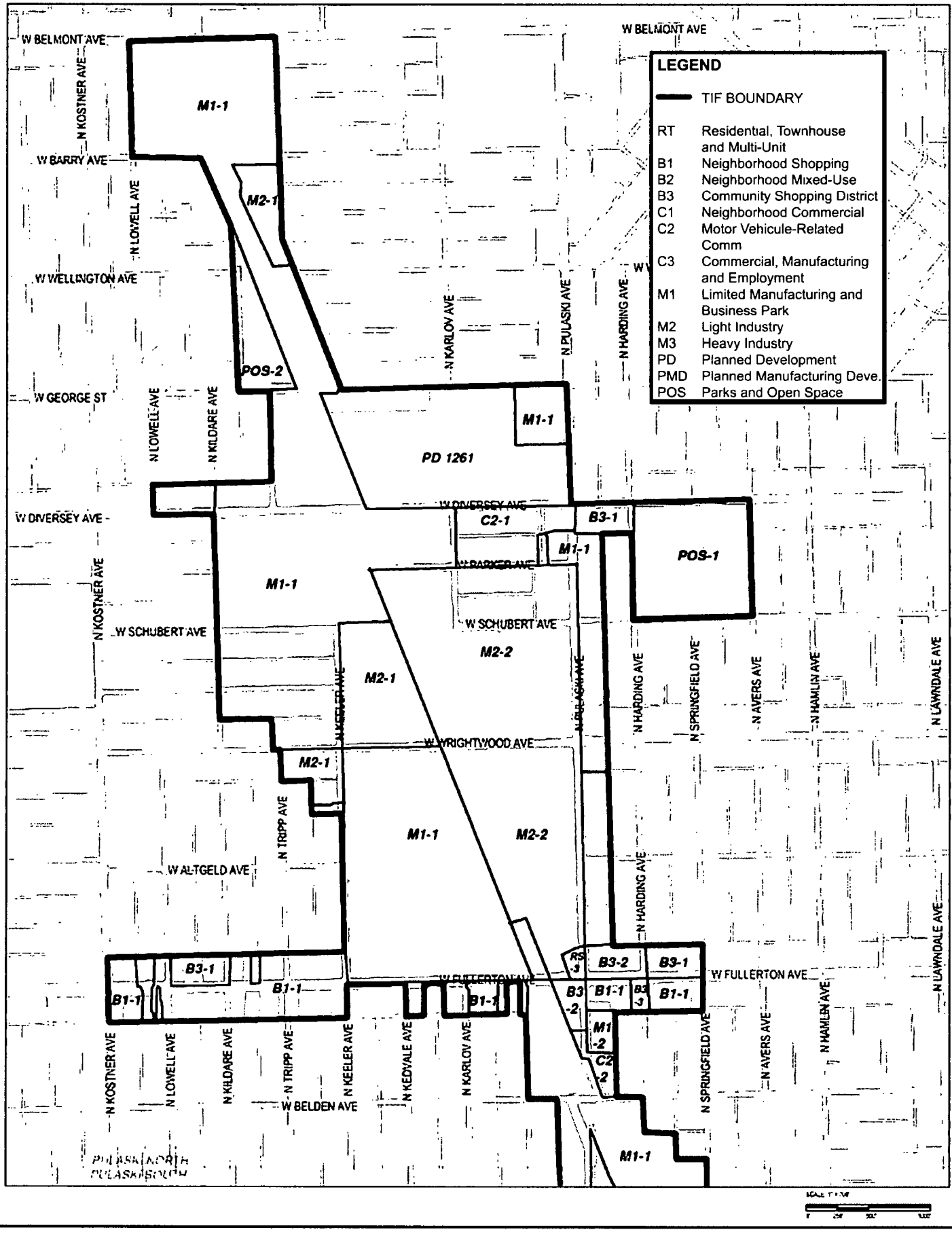
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EXHIBIT C: GENERALIZED LAND USE PLAN: 2022 UPDATE
PULASKI CORRIDOR TIF

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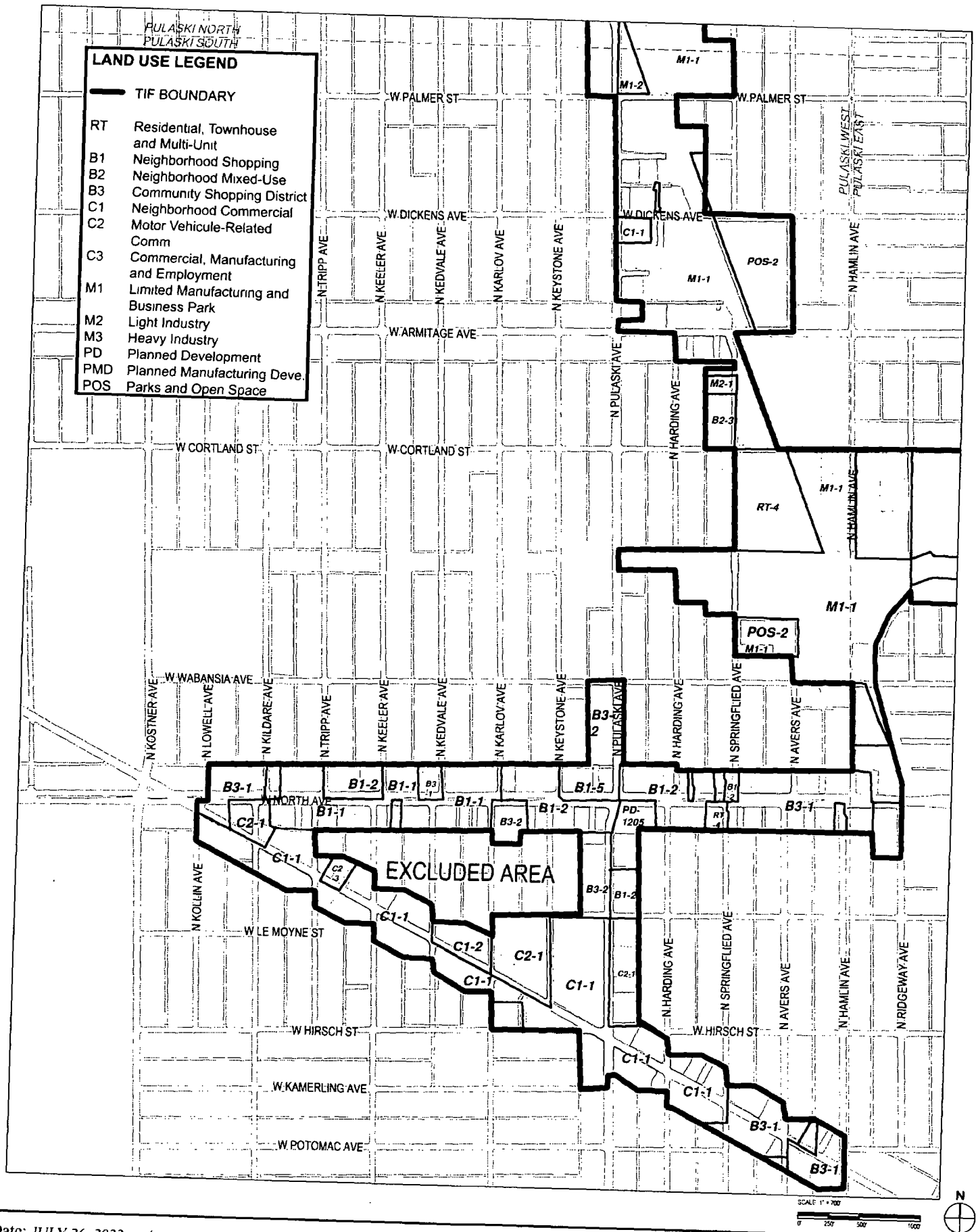
Date: JULY 26, 2022
Project #: 22-0209
Dwg File: Pulaski Map.dwg

Exhibit E.1. Generalized Existing Zoning Map North: 2022 Update

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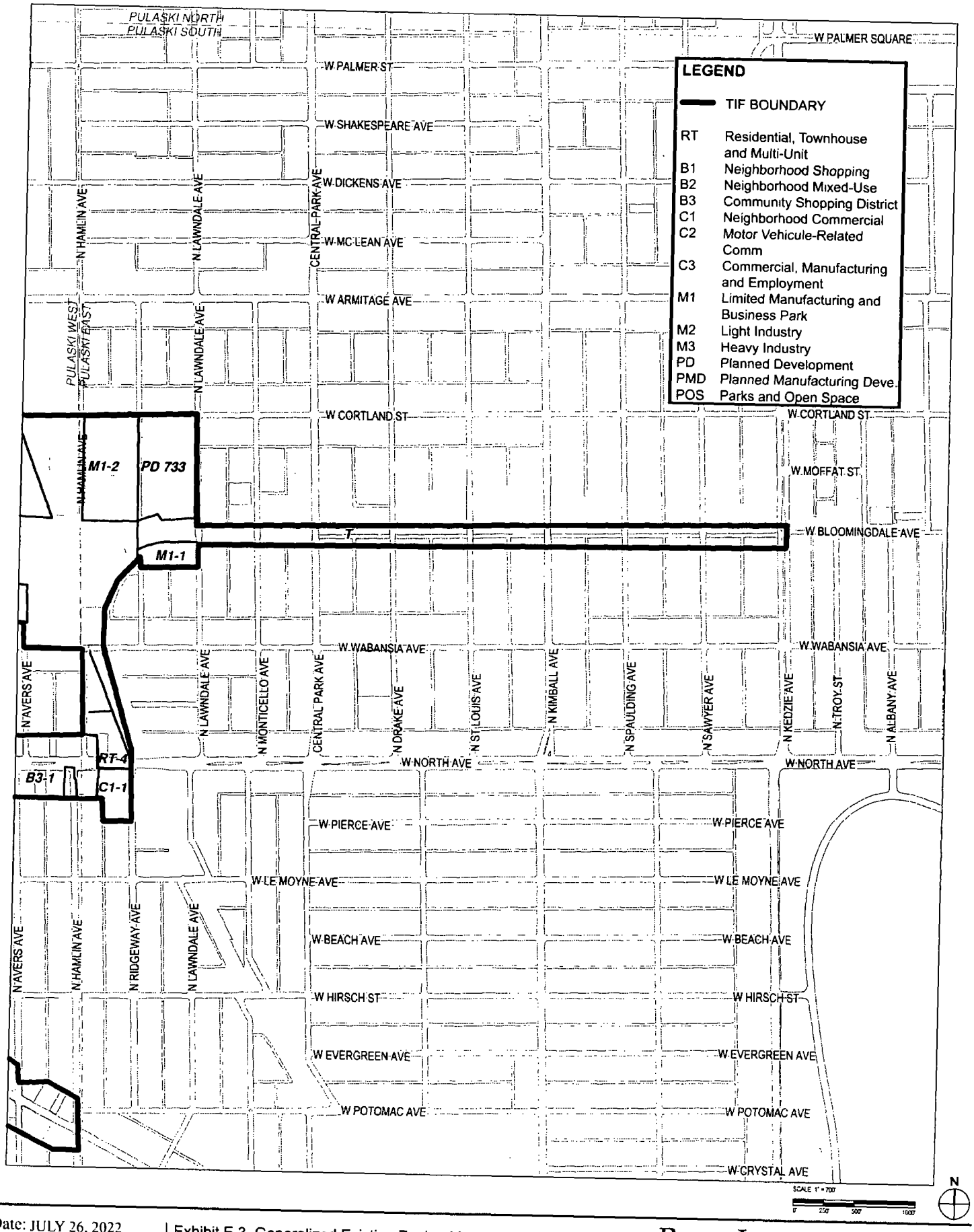
Date: JULY 26, 2022
Project #: 22-0209
Dwg File: Pulaski Map dwg

Exhibit E.2. Generalized Existing Zoning Map South: 2022 Update

PULASKI CORRIDOR TIF

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Project #: 22-0209
Dwg File: Pulaski Map.dwg

Exhibit E.3. Generalized Existing Zoning Map East: 2022 Update

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PULASKI CORRIDOR
TAX INCREMENT FINANCING
ADDED AREA ELIGIBILITY STUDY

City of Chicago, Illinois

July 29, 2022

City of Chicago
Lori E. Lightfoot, Mayor

Department of Planning and Development
Maurice D. Cox, Commissioner

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Prepared by:

Johnson Research Group, Inc.
105 W Madison St, Suite 406
Chicago, IL 60602

INTRODUCTION

On January 29, 1999, Chicago City Council adopted the Pulaski Corridor Tax Increment Financing Redevelopment Project and Plan ("Pulaski Corridor TIF"). The Pulaski Corridor TIF encompasses an irregularly shaped area generally bounded by Fullerton Avenue between Springfield and Kostner avenues; North Avenue between Lowell and Ridgeway avenues; Pulaski Road between Wabansia and North avenues; and Grand Avenue between Hamlin Avenue and Lowell Avenue.

In order to consider the expansion of the existing Pulaski Corridor TIF, the City of Chicago (the "**City**") engaged Johnson Research Group, Inc. ("**JRG**"), the "**Consultant**," to determine whether approximately 1.65 acres of land immediately adjacent to the Pulaski Corridor TIF qualifies for designation as a redevelopment project area based on findings for a "**conservation area**," and/or a "**blighted area**" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "**Act**"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.* as amended.

The area examined in this report is generally bounded by Pulaski Road, Wabansia Avenue, the alley west of Pulaski Road, and the alley north of North Avenue (hereafter referred to as the **"Added Area**"). The eligibility findings for the Added Area are documented and summarized in this document entitled the *Pulaski Corridor Tax Increment Financing Added Area Eligibility Study* (the "**Added Area Eligibility Study**"). This document constitutes a supplement to the Pulaski Corridor Redevelopment Project and Plan as amended and is an eligibility analysis for the Added Area only. The findings in this document do not change the findings or determination for the original Pulaski Corridor TIF Redevelopment Area. The boundaries of the Added Area are shown on ***Eligibility Study Figure 1, Added Area Boundary***.

The findings and conclusions presented in this report are based on surveys, documentation, and analyses conducted by Johnson Research Group for the Added Area. This report summarizes the analyses and findings of JRG's work, which is the responsibility of JRG. The Consultant has prepared this report with the understanding that the City would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Added Area as a redevelopment project area under the Act, and 2) on the fact that the Consultant has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

The determination of whether the Added Area qualifies for designation as a redevelopment project area based on findings of the area as a conservation area, or a blighted area, or a combination of both, pursuant to the Act is made by the City of Chicago after careful review and consideration of the conclusions contained in this Added Area Eligibility Study.

The Added Area

The Added Area is located in the Humboldt Park community area, approximately 4 miles west of the central business district of the City of Chicago. The Added Area includes properties fronting Pulaski Road between Wabansia and North avenues.

The Added Area is comprised of 14 tax parcels within one partial tax block. The Added Area is occupied by a one-story, vacant commercial structure, two fenced parking lots and several vacant lots. The commercial building was built in 1948 and is the last commercial structure standing between the alley and Wabansia Avenue. Based on historical photos, the building has been half-vacant for over a decade. As of May and June 2022 site visits, it currently appears to have been vandalized internally and externally with extensive damage to windows, doors, and fixtures.

One of the two parking lots is in active use by the nearby medical center and the second appears underutilized or vacant. Both parking areas are fenced and enclosed with guard rails, all of which are damaged and rusted. The vacant lots, which pockmark the block between parking lots, were previously occupied by three commercial structures and one residential building which were removed in 2012. Existing land uses in the Added Area are illustrated in ***Eligibility Study Figure 2: Existing Land Use: Added Area.***

Summary of Added Area Eligibility

The Added Area includes one parcel improved with a building (the "**Improved Area**"). Of the remaining 13 Added Area parcels, four are classified by the Cook County Assessor as vacant and nine are occupied by two parking lots, only one of which appears to be in use (the "**Vacant Area**"). Because only buildings and not minor improvements are included in the definition of improvements under the Act, the Added Area is therefore being evaluated on the basis of an improved area and a vacant area.

For TIF designation, an improved redevelopment project area must qualify for classification as a conservation area, a blighted area, or a combination of both blighted and conservation areas as set forth in the Act. If vacant, the area must qualify under either of two sets of vacant area criteria.

Improved Area. Surveys and analyses documented in this report indicate that the improved portion of Added Area is eligible as a conservation area within the requirements of the Act. Specifically,

- The Improved Area meets the threshold age requirement that 50% of the structures must be 35 years of age or older. The single building in the Improved Area is approximately 74 years old.
- The improved portion exhibits three (3) of the 13 blighting factors listed in the Act for qualification as a Conservation Area. Three factors are required to qualify as a Conservation Area. These include:
    1. Deterioration
    2. Obsolescence
    3. Excessive vacancies
- The factors are present to a meaningful extent and reasonably distributed throughout the improved portion of the Added Area.

Vacant Area. Surveys and analyses documented in this report indicate that the Vacant Area qualifies under Section 11-74.4-3(2) of the Act for qualification as a Vacant Blighted Area. Specifically,

- The Vacant Area exhibits a combination of two blight factors under the first set of vacant area criteria. A combination of two or more of some 6 factors set forth in the Act is required to qualify as a Vacant Blighted Area. These include:
    1. Diversity of ownership
    2. Deterioration of adjacent structures or site improvements
- The factors are present to a meaningful extent and reasonably distributed throughout the Vacant Area.

The Added Area includes only real property and improvements that would be substantially benefited by the proposed redevelopment project improvements.

I. BASIS FOR REDEVELOPMENT

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

1. That there exists in many municipalities within the state blighted and conservation areas;
2. That as a result of the existence of blighted areas and areas requiring conservation, there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment, unmarketability of property, growth in delinquencies and crime, and housing and zoning law violations in such areas together with an abnormal exodus of families and businesses so that the decline of these areas impairs the value of private investments and threatens the sound growth and the tax base of taxing districts in such areas, and threatens the health, safety, morals, and welfare of the public; and
3. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project area qualifies either as a blighted area or as a conservation area within the definitions for each set forth in the Act (Section 11-74.4-3).

Blighted areas are defined as: 1) any improved area in which buildings or improvements are detrimental to the public safety, health or welfare because of a combination of 5 or more of the thirteen (13) improved area eligibility factors set forth in the Act; and 2) any vacant area in which its sound growth is impaired by the presence of either or both of 2 eligibility criteria set forth in the Act.

Conservation areas are defined in the Act as any improved area in which 50% or more the structures have an age of 35 years and the improved area exhibits the presence of a combination of 3 or more of the thirteen (13) improved area eligibility factors set forth in the Act. Such an area is not yet a blighted area but if left unchecked, the presence of 3 or more such factors which are detrimental to the public safety, health or welfare, such an area may become a blighted area.

Improved Area Eligibility Criteria

Section 11-74.4.3 of the Act defines the thirteen (13) eligibility factors for improved areas. To support a designation as a blighted or conservation area each qualifying factor must be: (i) present to a meaningful extent and that presence documented so that the City may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Added Area.

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of individual structures
5. Presence of structures below minimum code standards
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or layout

11. Lack of community planning
12. Environmental remediation costs have been incurred or are required
13. Declining or lagging rate of growth of total equalized assessed valuation

Vacant Area Eligibility Criteria

Section 11-74.4.3 of the Act defines the eligibility criteria for vacant areas. To support a designation as a Blighted Area, the Vacant Area must qualify under either of two sets of vacant area criteria and must be: (i) present to a meaningful extent and that presence documented so that the City may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the Project Area.

1. **Criterion 1 – Combined Factors**: the vacant part of the redevelopment project area exhibits a combination of 2 or more of the following 6 factors:
   A. Obsolete platting of the vacant land
   B. Diversity of ownership
   C. Tax and special assessment delinquencies or the subject of tax sales
   D. Deterioration of structures or site improvements in adjacent areas
   E. Environmental remediation costs have been incurred or are required
   F. Declining or lagging rate of growth of total equalized assessed valuation
2. **Criterion 2 - Single Factor:** The vacant part of the redevelopment project area exhibits one of the following factors:
   A. consists of one or more unused quarries, mines or strip mine ponds.
   B. The area consists of unused railyards, rail tracks or railroad rights-of-way.
   C. The area is subject to chronic flooding.
   D. The area consists of an unused or illegal disposal site.
   E. The area had been designated as a town or village center and not developed as such.
   F. The area qualified as a blighted improved area immediately prior to becoming vacant.

It is important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Added Area.

II. ELIGIBILITY SURVEY AND ANALYSIS

An analysis was made of each of the factors listed in the Act for conservation areas and blighted areas to determine whether each or any factors are present in the Added Area, and if so, to what extent and in what locations. Surveys and analyses conducted by JRG included:

1. Exterior survey of the condition and use of all buildings and sites;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of the existing uses within the Added Area and their relationships to the surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original platting and current parcel size and layout;
6. Analysis of vacant parcels and buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Analysis of historical photos of the Added Area properties;
10. Analysis of City of Chicago building permit data and building code violation data for the period from June 2012 through June 2022;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Added Area for assessment years 2014 to 2020; and
12. Review of Cook County Treasurer property tax payment records for collection years 2019, 2020, and 2021.

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

A factor noted as "**not present**" indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist that document that the factor is present, but that the distribution or impact of the condition is limited. Finally, a factor noted as present to a meaningful extent indicates that conditions exist which document that the factor is present throughout the Added Area and that the presence of such conditions have an adverse impact or influence on adjacent and nearby development.

III. IMPROVED AREA ELIGIBILITY FACTORS

The following is the summary evaluation of the eligibility factors for the Added Area presented in the order in which they appear in the Act.

A. Dilapidation

Section 11-74.4-3 of the Act defines Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

This section summarizes the process used for assessing building conditions in the Improved Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in April 2022. Structural deficiencies in building components and related environmental deficiencies in the Improved Area were noted during the inspections.

Building Components Evaluated

During the field survey, each component of the structures in the Improved Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural

These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.

Secondary Components

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

Criteria for Classifying Defects for Building Components

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

Building Component Classifications

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

Sound

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

Deficient – Requiring Minor Repair

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

Deficient – Requiring Major Repair
Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Critical
Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

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

Sound
Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

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

Minor – one or more minor defect, but no major defect.

Major – one or more major defects in one of the primary components or in the combined secondary components, but no critical defect.

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

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

Exterior Survey
The conditions of the buildings within the Improved Area were determined based on observable components. JRG conducted an exterior survey of each structure within the Improved Area to determine its condition.

Conclusion: No condition pertaining to dilapidation has been documented as part of the exterior surveys and analyses undertaken within the Improved Area. This factor is not present in the Improved Area.

B. Obsolescence

Section 11-74.4-3 of the Act defines Obsolescence: The condition or process of falling into disuse. Structures have become ill suited for the original use.

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

Functional Obsolescence

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

Economic Obsolescence

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

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Factors of obsolescence may include inadequate utility capacities, outdated building designs, etc.

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

Obsolete Building Types

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

Obsolescence is present in the only structure located in the Improved Area. The building, formerly a transportation operation, was found to be obsolescent and ill-suited for their original use due to insufficient size (ceiling heights, loading areas), lack of ingress/egress or off-street parking and outdated mechanical systems, partly evidenced by wall or window air conditioning units and outmoded inefficient windows. This structure is surrounded by vacant properties and has negatively impacted the economic vitality of the Improved Area.

Conclusion: The analysis indicates that obsolescence is meaningfully present and reasonably distributed throughout the Improved Area.

C. Deterioration

Section 11-74.4-3 of the Act defines Deterioration: With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

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

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

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

Deterioration of Sites and Infrastructure

As part of the survey, JRG documented site conditions that include broken pavement within parking areas with weeds protruding throughout, broken curb and gutters, broken sidewalk and parkway areas with weed growth. Based on the field survey of streets, curbs, gutters, sidewalks, and alleys, deterioration of sites and infrastructure was noted throughout the Improved Area.

Deterioration of Buildings

The analysis of structural deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." The condition of Deterioration is evidenced in the one building by deterioration of windows, walls, rusted doors and security bars, and damaged perimeter fencing. The structure has minor defects in the walls (in need of tuckpointing), and significant defects in the secondary building components.

Conclusion: Deterioration is present to a major extent within the Improved Area and is meaningfully present and reasonably distributed throughout the Improved Area.

D. Presence of Structures Below Minimum Code Standards

Section 11-74.4-3 of the Act defines the Presence of structures below minimum code standards: All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

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

Conclusion: No condition pertaining to the presence of structures below minimum code standards has been documented for the Improved Area.

E. Illegal Use of Individual Structures

Section 11-74.4-3 of the Act defines illegal use of individual structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Violation of federal, State or local laws were not evident as part of the exterior field survey conducted as part of this Added Area Eligibility Study.

Conclusion: No condition pertaining to illegal uses of individual structures has been documented as part of the exterior surveys and analyses undertaken within the Improved Area.

F. Excessive Vacancies

Section 11-74.4-3 of the Act defines excessive vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

Excessive vacancy in a building is defined as having 20% or more vacant units (commercial, industrial, or residential). Excessive vacancies in a block is considered present to a major, or meaningful, extent when more than 20% of its buildings are at least 20% vacant. Excessive vacancies in a block is considered present to a minor extent when at least one building is over 20% vacant, but less than 20% of its buildings exhibit such vacancy.

The single building in the Improved Area, with an address of 1640-44 N Pulaski Road, appears to have two commercial units, both of which are currently vacant. A faded "For Rent" sign hangs in one of the windows and the security gates are padlocked. Historical photos available via Google.com display the same sign going back to June 2011. Additionally, United States Postal Service data, which tracks monitors vacant status for mailing purposes, identifies the building as vacant. The isolated nature of the structure and the long-standing vacancy have a meaningful impact on the surrounding area. Using these definitions, the factor of excessive vacancies has a significant adverse impact on the Added Area.

Conclusion: Major Presence of Factor. Excessive vacancies as a factor is present to a major extent in the Improved Area. Excessive factor is meaningfully present and reasonably distributed throughout the Improved Area.

G. Lack of Ventilation, Light, or Sanitary Facilities

Section 11-74.4-3 of the Act defines lack of ventilation, light, or sanitary facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

An interior inspection of conditions is required to determine the presence of this factor. No such inspection was conducted as part of this Added Area Eligibility Study. Sufficient ingress/egress and the presence of sufficient window openings was present from an exterior field survey.

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

H. Inadequate Utilities

Section 11-74.4-3 of the Act defines inadequate utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Existing sewer and water supply lines throughout the City were largely put in place 50 to 100 years ago and many are undersized. These aging and/or undersized lines are obsolete by today's development standards and inadequate to accommodate new development.

Conclusion: No Presence of Factor.

I. Excessive Land Coverage & Overcrowding of Structures and Community Facilities

Section 11-74.4-3 of the Act defines excessive land coverage and overcrowding of structures and community facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.

The single commercial building in the Improved Area is approximately 6,600 square feet and covers more than 80% of its parcel. The outer perimeter of the building stretches from the sidewalk to the edge of the alley and has no provision for rear loading and service and no capacity for off street parking. Other parcels within the Added Area, however, are paved and utilized for parking, so this factor is not present in the other parcels of the Added Area.

Conclusion: Minor Presence of Factor. Excessive land coverage and overcrowding of structures and community facilities is not present to a meaningful extent in the Improved Area.

J. Deleterious Land Use or Layout

Section 11-74.4-3 of the Act defines deleterious land-use or layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

While there are a several isolated residential buildings situated adjacent to or in close proximity to industrial uses and sites, the land uses in general are consistent with the Zoning Ordinance and do not result in conflicting or inappropriate mix of uses.

Conclusion: Deleterious land-use or layout has not been documented as present in the Improved Area.

K. Lack of Community Planning

Section 11-74.4-3 of the Act defines lack of community planning: The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The City of Chicago was incorporated in 1837 and expanded in population and geography well into the 20th century. With the adoption of the Burnham Plan in 1909, the City established a pattern of streets and boulevards on a grid system with residential, commercial and confined industrial areas separated by major rail lines, commercial corridors and the parks connected by green boulevards. The neighborhoods of the Added Area were almost completely built out by the 1930s. The Burnham Plan served as a guiding plan for the development of the Added Area.

Conclusion: The factor lack of community planning is not present in the Improved Area.

L. Environmental Remediation

Section 11-74.4-3 of the Act defines environmental remediation: The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

The Improved Area does not contain any properties or Long-term Cleanup Sites on the United States Environmental Protection Agency's Region 5 Superfund website nor any incidents as reported on the Leaking Underground Storage Tanks ("LUST") database maintained by the Illinois Environmental Protection Agency's Leaking Incident Database.

Conclusion: The factor of environmental remediation is not present in the Improved Area.

M. Declining or Lagging Equalized Assessed Valuation

Section 11-74.4-3 of the Act defines declining or lagging equalized assessed valuation: The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

The Consultant reviewed equalized values of the Improved Area parcel from 2016 to 2020 and found inconsistent patterns of growth, particularly in assessment year 2019 and 2020. However, the growth rate of the Improved Area equalized assessed valuation (EAV) lagged behind the annual growth rate of the balance of the City of Chicago in only two of the last five years. One of those years the Improved Area parcel declined by nearly 46%. These figures are shown below in ***Table 1. Growth of Improved Area EAV vs. Growth of the City of Chicago EAV)***.

Table 1. Growth of Improved Area EAV vs. Growth of the City of Chicago EAV

Year	Improved Area EAV	% Change	City of Chicago EAV	% Change	Declining or Lagging?
2015	154,397		70,967,821,027		
2016	162,555	5.28%	74,020,249,751	4.30%	NO
2017	172,189	5.93%	76,768,163,437	3.71%	NO
2018	177,562	**3.12%**	86,335,025,937	12.46%	**YES**
2019	464,714	161.72%	87,824,237,860	1.72%	NO
2020	251,225	**-45.94%**	89,523,071,623	1.93%	**YES**

2015 to 2020 is the most recent five year period for which finalized data is available for the Improved Area and City of Chicago. City of Chicago EAV represents the balance of the City without the Improved Area EAV.

Percent Change reflects the annual growth in EAV from the prior year (e g. -16 58% change in Improved Area EAV for Year 2020 represents the decline in EAV from 2019 to 2020).

Conclusion: Factor is not present. The EAV of the Improved Area did not decrease or lag behind the growth in EAV of the City of Chicago in three or more of the last five years. As a result, Declining or Lagging Equalized Assessed Valuation is not a contributing factor for eligibility.

IV. VACANT AREA ELIGIBILITY FACTORS

The Vacant Area encompasses 13 non-contiguous parcels of land separated by an improved parcel that is described in more detail above. The following is the summary evaluation of the eligibility criteria for the Vacant Area. The Vacant Area criteria presented below are illustrated in ***Eligibility Report Figure 3, Summary Eligibility***.

Vacant Area Criteria 1. Combination of Factors Impair the Sound Growth of the Project Area

Pursuant to Section 11.74.4-4 (2) of the Act, the vacant portion of the Project Area must exhibit a combination of 2 or more of 6 factors listed below for qualification as a Blighted Area.

(A) Obsolete Platting of the Vacant Land

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

The parcels in the Vacant Area are generally consistent in standard City lots with depths of 125 feet an vary in widths from 10 feet to 75 feet. One parcel, located in the northwest corner of the Vacant Area, is usually small, measuring approximately 35 feet by 39 feet. This property is, however, under the same ownership as adjacent larger parcels and therefore does not present an impediment to redevelopment.

Conclusion: Obsolete Platting is not present in the Vacant Area.

(B) Diversity Of Ownership

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

To assess the impact of diversity of ownership for such a small area, the contiguity of owned properties was evaluated in addition to the number of different owners. The Vacant Area contains 13 parcels under two separate owners. While the number of owners is small, it only takes one of one party among two or more ownership entities to impede the assembly of land for development. The distribution of parcels in the Vacant Area is such that the owner of the southernmost parcels owns a non-contiguous parcel within the northernmost properties. The resulting diversity of ownership will require the sale or purchase of one or more properties among these owners to redevelop the northern half of the Added Area.

Conclusion: Due to the small size of the Added Area and the discontinuous nature of the parcel ownership, Diversity of Ownership is deemed to be present in the Vacant Area.

(C) Tax and Special Assessment Delinquencies Or The Subject Of Tax Sales

Pursuant to the Act, this factor applies if tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

None of the 13 parcels were tax delinquent in tax years 2016 through 2020 nor were any of the parcels the subject of tax sales in the same period.

Conclusion: Tax and Special Assessment Delinquencies is not present in the Vacant Area

(D) Environmental Remediation Costs Have Been Incurred Or Are Required

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

The Vacant Area does not contain any properties or Long-term Cleanup Sites on the United States Environmental Protection Agency's Region 5 Superfund website nor any incidents as reported on the Leaking Underground Storage Tanks ("LUST") database maintained by the Illinois Environmental Protection Agency's Leaking Incident Database.

Conclusion: The factor of environmental remediation is not present in the Vacant Area.

(E) Deterioration Of Adjacent Improvements

Pursuant to the Act, this factor applies if there is evidence of deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

Deterioration of sites and structures is present in the Improved Area that divides the Vacant Area into two as described in Section III above. Site deterioration is also present in the areas adjacent to the Vacant Area including cracked sidewalks and weed growth along Wabansia Avenue. The Vacant Area is immediately adjacent to the Original Pulaski Corridor TIF Project Area, for which deterioration was identified as a supporting eligibility factor.

Conclusion: Deterioration of Adjacent Improvements is present to a meaningful degree and reasonably distributed throughout the Vacant Area. This factor serves as a supporting factor for Vacant Area eligibility.

(F) Declining Or Lagging Rate Of Growth Of Total Equalized Assessed Valuation

Pursuant to the Act, this factor applies if the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

The Consultant compared equalized values (EAV) for the period from 2016 to 2020 and found that the annual growth rate of the Vacant Area EAV lagged behind the annual growth rate of the balance of the City of Chicago in only two of the last five years. These figures are shown below in ***Table 2. Growth of Vacant Area EAV vs. Growth of the City of Chicago EAV)***.

Table 2. Growth of Vacant Area EAV vs. Growth of the City of Chicago EAV

Year	Vacant Area EAV	% Change	City of Chicago EAV	% Change	Declining or Lagging?
2015	403,05		70,967,572,370		
2016	423,397	.0 %	7 0 9 988 9 9	4.3 %	NO
2017	447 48	.69%	76 767 888 141	3.71	NO
2018	872	**11.93%**	86 334 7 2 2	12.46	**YES**
2019	3 61	**0.44%**	87 824 1 13	1.73	**YES**
2020	6 3	1 . 4	8 22 766 7	1. 3	NO

2015 to 2020 is the most recent five year period for which finalized data is available for the Vacant Area and City of Chicago City of Chicago EAV represents the balance of the City without the Vacant Area EAV.

Percent Change reflects the annual growth in EAV from the prior year (e.g. -16 58% change in Vacant Area EAV for Year 2020 represents the decline in EAV from 2019 to 2020)

Conclusion: ***Factor is not present. The EAV of the Vacant Area did not decrease or lag behind the growth in EAV of the City of Chicago in three or more of the last five years. As a result, Declining or Lagging Equalized Assessed Valuation is not a contributing factor for eligibility.***

V. DETERMINATION OF ADDED AREA ELIGIBILITY

The Added Area meets the requirements of the Act for designation as a combination of an Improved Conservation Area and a Vacant Blighted Area.

Improved Area Qualifications

Age

The Added Area meets the threshold criteria which requires that 50% or more of buildings are 35 years of age or older. One hundred percent (100%) of the Added Area's buildings are 35 years of age or older.

Conservation Area Factors

The meaningful presence and reasonable distribution of a minimum of three of the thirteen factors set forth in the Act are required for an Improved Area to qualify for designation as a conservation area. The analysis of the Improved Area found a meaningful presence and a reasonable distribution of three (3) factors throughout the Added Area, including:

1. Deterioration
2. Obsolescence
3. Excessive Vacancies

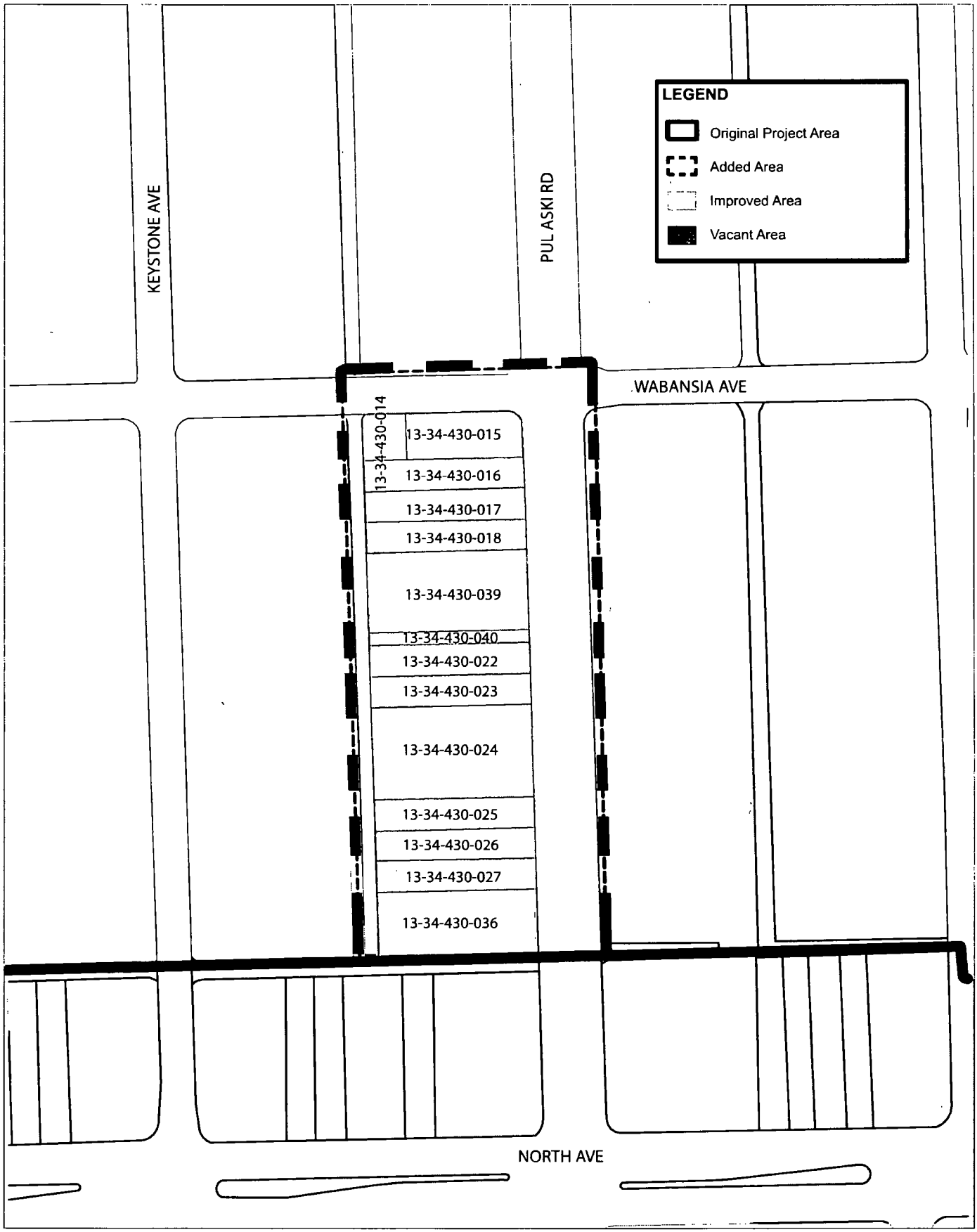
Vacant Area Qualifications

Vacant Blighted Area Factors

The Vacant Area qualifies under the first of two sets of criteria for designation as a vacant blighted area. Qualification under only one criterion is required. Specifically:

1. Two or More Factors Impair the Sound Growth of the Vacant Area
    a. Diversity of Ownership
    b. Deterioration of Adjacent Improvements

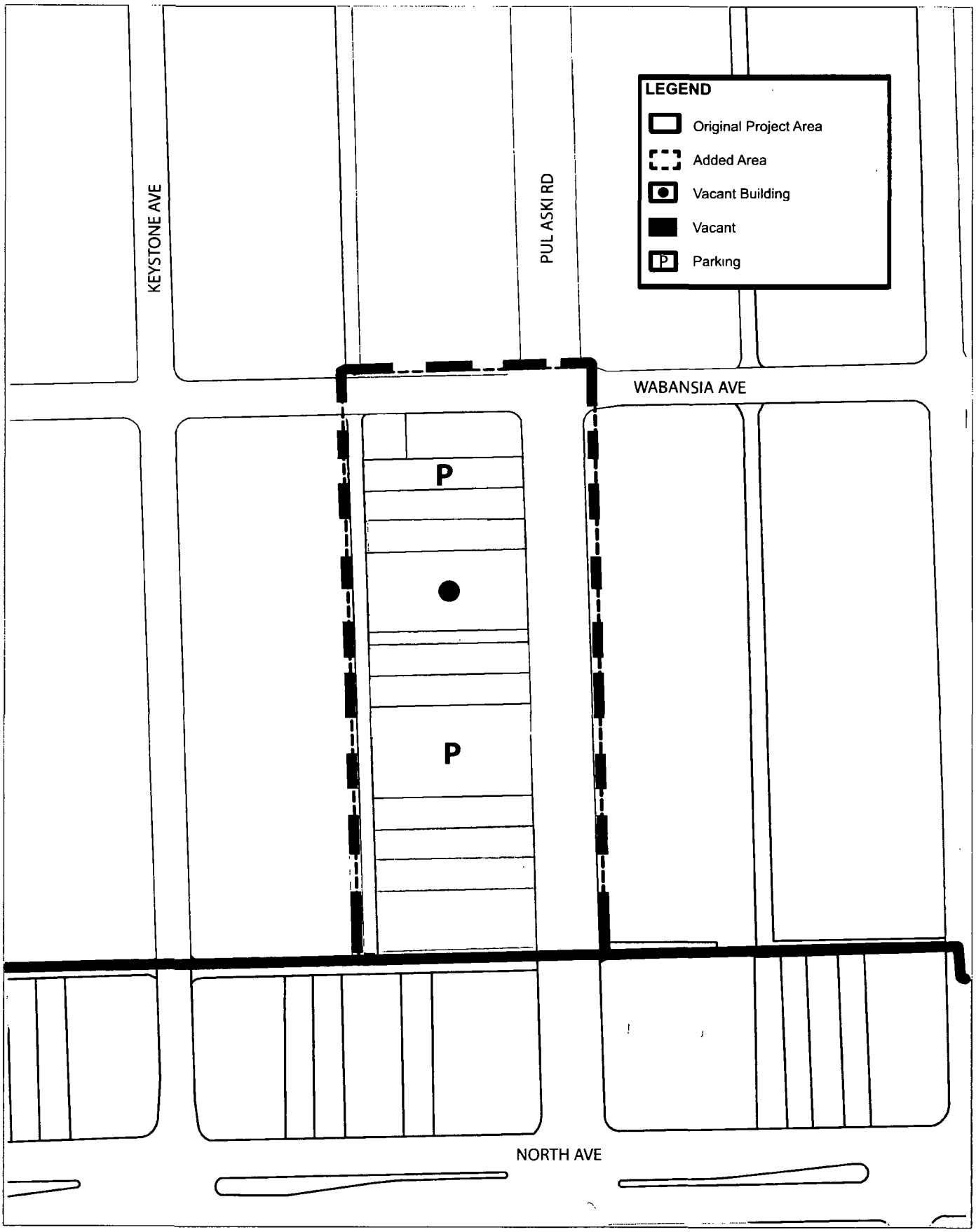
The eligibility findings presented in this report indicate that the Added Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Added Area contains sites and structures that are suffering from obsolescence, advancing deterioration, chronic vacancies, and neglect as evidenced by a lack of investment for more than a decade. These conservation factors, as identified and described in detail above, indicate that the Added Area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.



Date: JULY 08, 2022
Project #: 22-0209
Dwg File: Pulaski Map dwg

FIGURE 1: ADDED AREA BOUNDARY MAP
PULASKI CORRIDOR TIF

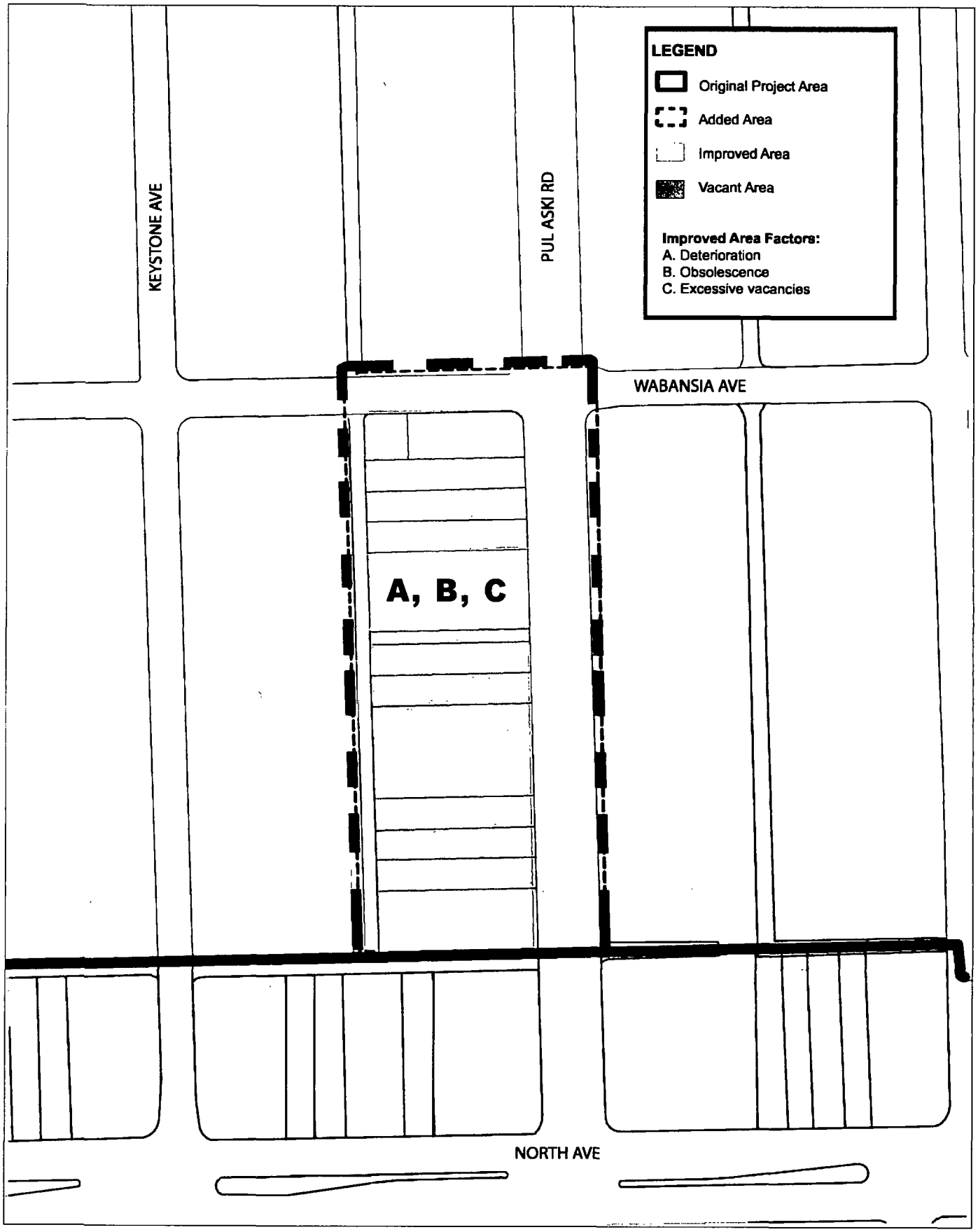
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FIGURE 2: EXISTING LAND USE
PULASKI CORRIDOR TIF

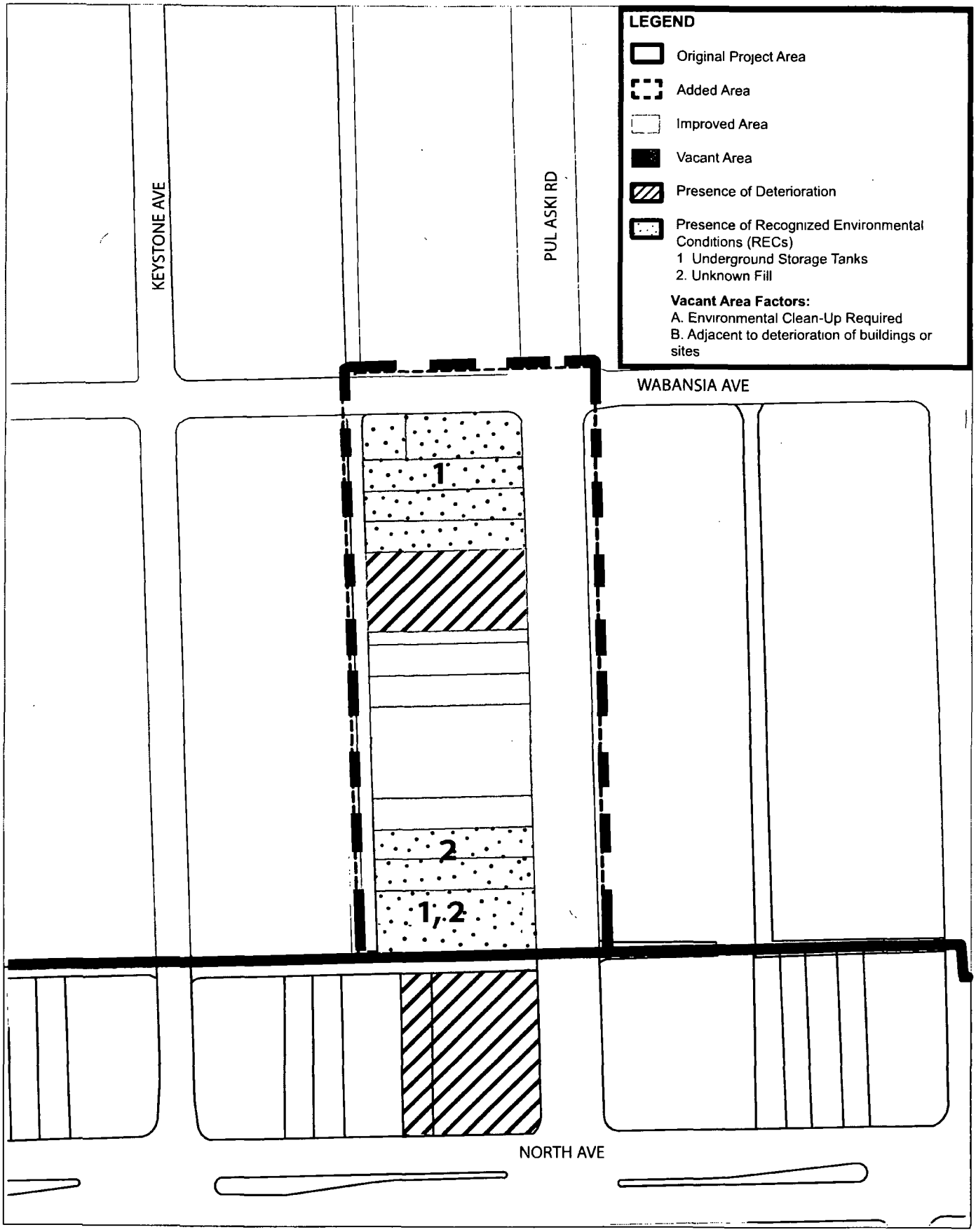
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FIGURE 3: SUMMARY OF IMPROVED AREA ELIGIBILITY FACTOR
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FIGURE 4: SUMMARY OF VACANT AREA ELIGIBILITY FACTORS
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