



City of Chicago



F2018-31

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	6/27/2018
Sponsor(s):	Dept./Agency
Type:	Communication
Title:	116th/Avenue O Tax Increment Financing Redevelopment Plan and Project with associated eligibility report
Committee(s) Assignment:	



DEPARTMENT OF LAW
CITY OF CHICAGO

June 1, 2018

Ms. Andrea Valencia
City Clerk, City of Chicago
121 North LaSalle Street – Room 107
Chicago, Illinois 60602

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CITY CLERK

Re: Redevelopment Plan and Project for the proposed 116th/Avenue O
Redevelopment Project Area (Tax Increment Financing)

Dear Ms. Valencia:

Enclosed please find a copy of the proposed 116th/Avenue O Tax Increment Financing Redevelopment Plan and Project (the "Plan") for the proposed 116th/Avenue O Redevelopment Project Area, Chicago, Illinois, dated June 1, 2018. An Eligibility Report is included immediately following Article XI of the Plan.

Please make the Plan 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 concerning this matter, please contact me at 312-742-5763.

Sincerely,

Adam R. Walker
Assistant Corporation Counsel

Enclosure

cc w/o encl: M. Susan Lopez, Chief Assistant Corporation Counsel
Ryan Slattery, Department of Planning and Development

**116th/Avenue O
Tax Increment Financing
Redevelopment Plan and Project**

City of Chicago, Illinois

June 1, 2018

**City of Chicago
Rahm Emanuel, Mayor**

**Department of Planning and Development
David L. Reifman, Commissioner**

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I. EXECUTIVE SUMMARY

Introduction

The City of Chicago (the “City”) is dedicated to the continued growth and economic development of the City. The City’s ability to stimulate growth and development relies on the creation and implementation of government programs that will allow the City to work with the private sector to eliminate blighted areas and ensure sound growth and development of property. Based upon the City’s establishment of a redevelopment project area as described herein, it is understood that the City recognizes the necessity of the relationship between continued community growth and public participation. The blighting of communities impairs the value of private investment and threatens the growth of the community’s tax base. Additionally, the City understands the vulnerability associated with blighting factors and problems arising from blighted conditions.

The Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et. seq.*) (the “Act”) to address the growing number of blighted areas in many Illinois municipalities. The blighting of communities impairs the value of private investment and threatens the growth of the community’s tax base. The Act declares that in order to promote the public health, safety, morals, and welfare, blighting conditions must be eliminated.

The City’s 116th/Avenue O Tax Increment Financing Redevelopment Area Plan and Project (the or this “Plan”) summarizes the analyses and findings of the consultant’s work, which, unless otherwise noted, is the responsibility of Laube Consulting Group, LLC (the “Consultant”). The City is entitled to rely on the findings and conclusions of this Plan in designating the 116th/Avenue O Redevelopment Project Area (the “Area”) as a redevelopment project area under the Act. The Consultant has prepared this Plan and the related eligibility study, as hereinafter defined, with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

Summary of the Plan

The Plan was developed to provide a description of the necessary actions to address existing blighting conditions in the Area. From an economic perspective, the implementation of the Plan through the use of tax increment financing revenues should stimulate private investment in the Area. The combined public and private investment that will result from the Plan is anticipated to eliminate the blighting conditions that currently exist in the Area.

II. REDEVELOPMENT PROJECT AREA DESCRIPTION

The Area encompasses approximately 263 acres of land in the City. The Area is generally bounded by 114th Street to the north, 122nd Street to the south, Avenue O to the east, and the Calumet River to the west. (See legal description and specific boundary map in the Appendix.)

Based upon the current site conditions, it is reasonable to conclude that without the establishment of a redevelopment project area and the use of tax increment financing, the Area is not reasonably anticipated to be developed.

Background of the Area

The Area is located in the South Deering, Hegewisch, and East Side community areas on the City's far southeast side. During the 19th century, Lake Calumet was the center of an extensive wetland area near the southern tip of Lake Michigan. Like other wetland areas, the Lake Calumet area and its rivers were a center of Native American life and settlement.

In 1861, the Lake Calumet region was mapped into Hyde Park Township, south of what was then the town of Chicago. In the 1880s, because the Calumet River created shipping opportunities to connect into Lake Michigan, the swampy zone was rapidly filled and developed by industry. Hyde Park Township developed rapidly and was annexed into Chicago in 1889. Steel mills began to line the Calumet River as the Illinois Central railroad was built nearby. The area remains heavily industrialized today.

Overview of the Area

The Area is a tract of vacant land consisting of approximately 263 acres. It was formerly the Republic Steel manufacturing plant that built its own site by dumping steel slag in a swamp area over the years of its operation.

III. SUMMARY OF BLIGHTING CONDITIONS EXISTING IN THE AREA

As set forth in the Act, the Illinois General Assembly has determined that, in order to promote and protect the health, safety, morals, and welfare of the public, blighted conditions need to be eradicated. The Act also states that the eradication of these blighted conditions is essential to the public interest and that the use of tax increment financing revenues to fund certain redevelopment projects is of benefit to the community.

Prior to the passage of an ordinance adopting tax increment financing, there are certain statutory requirements that must be met. One of the requirements for eligibility of the Area as a redevelopment project area under the Act is that the municipality must demonstrate that the Area qualifies as a "blighted area". Based on site inspections, surveys and area analysis, the Area qualifies for designation as a vacant blighted area as defined in the Act.

Additionally, for the vacant parcels, the Consultant has found that on an overall basis three of the possible seven blighting factors are present throughout the Area. The factors present are:

Factor 1

- Obsolete Platting

- Environmental Clean Up Costs
(the above 2 sub-criteria comprise one criteria under the Act)
- Factor 3 – Unused Rail
- Factor 5 – Unused Disposal Site

Please see the accompanying Eligibility Report for detailed qualification criteria and findings.

IV. TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the Plan to be implemented by the City in the Area. The section is divided into the following subsections:

- Redevelopment Goals
- Redevelopment Objectives
- Redevelopment Plan and Project Costs and Activities
- General Land Use Plan
- Estimated Redevelopment Project Costs
- Sources of Funds to Pay Redevelopment Project Costs
- Issuance of Obligations
- Most Recent EAV
- Anticipated EAV
- Potential Future Site Acquisition
- Affordable Housing
- Redevelopment and Intergovernmental Agreements
- Potential Future Relocation Needs
- Housing Impact Study

Redevelopment Goals

The Act encourages public and private sector cooperation to address and resolve issues with deteriorating and declining areas. The continued investment in and development of the Area will strengthen not only the Area, but also the entire City through the promotion of sound economic growth, an increased tax base, and additional employment opportunities.

Redevelopment Objectives

The following represent major redevelopment objectives for the Area:

- Reduce or eliminate blighting conditions which prevent further development of the Area;
- Attract new industrial and business development and the creation of new job opportunities within the Area;
- Upgrade public utilities, infrastructure and streets, including lighting and streetscapes;
- Encourage productive use of underutilized and vacant property;
- Increase revenue (e.g., property and sales tax revenue) generation of property within the Area;

- Assemble or encourage the assembly of land for redevelopment in accordance with this Plan;
- Provide needed incentives to encourage a broad range of improvements, including remediation, and new development;
- Provide opportunities for minority-owned and women-owned businesses to share in the redevelopment of the Area; and
- Encourage use of environmentally sustainable design standards.

Redevelopment Plan and Project Costs and Activities

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

In the event the Act is amended after the date of the approval of this Plan by the City Council of Chicago to: (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(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 Plan Table 1 or otherwise adjust the line items in Plan Table 1 below 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.

1. 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 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 costs of marketing sites within the Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, environmental remediation, 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 costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; 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 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 Plan;
- 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 (see “Relocation” section);
- 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; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
 5. up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing 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 costs of daycare services for children of employees from low-income families working for businesses located within the Area and all or a portion of the cost of operation of day care centers established by Area businesses to serve employees from low-income families working in businesses located in the 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 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 Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

General Land Use Plan

The proposed land use plan for the Area includes the following uses:

Commercial

- Commercial is generally defined as retail, office, hospitality/hotel, health clubs, entertainment, restaurant facilities, educational, and institutional for purposes of this Plan.

Industrial

- Industrial is generally defined as warehouse, distribution, manufacturing or technology based manufacturing.

Institutional

- Institutional is generally defined as space for schools and colleges of higher learning or other non-for profit uses.

Parks/Open Space

- Parks/Open Space is generally defined as recreational areas for purposes of this Plan.

Mixed-Use

- Mixed use is defined as any of the above uses combined on one site or sites for purposes of this Plan.

Estimated Redevelopment Project Costs

To eliminate the blighting factors present in the Area and to meet the redevelopment objectives, the City plans to make and/or induce a number of improvements in the Area. Plan Table 1 below identifies the eligible Redevelopment Project Costs under the Act that the City may fund to implement the Plan over the Area's twenty-three (23) year life.

Adjustments to the estimated line item costs in Plan Table 1 below are anticipated and may be made by the City without amendment to the Plan to the extent permitted by the Act. Each individual project cost will be reevaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth below are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

Redevelopment projects in the Area would not reasonably be anticipated to be developed without the adoption of the Plan.

Plan Table 1

Estimated Redevelopment Project Costs
Redevelopment Project Area

Eligible Activities

1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.		\$2,000,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation		\$25,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation cost		\$1,000,000
4. Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) (1)		\$55,100,000
5. Relocation costs		\$100,000
6. Job Training, Retraining, Welfare-to-Work		\$10,000,000
7. Day Care Services		\$100,000
8. Interest subsidy		\$100,000
Total Eligible Redevelopment Project Costs (Notes 2-5 below)		\$93,400,000

Notes for Plan Table 1 – Redevelopment Project Costs

- (1) This category may also include paying for or reimbursing (i) an elementary, secondary or unit school districts increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
- (2) Total Redevelopment 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 Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Area, but will not be reduced by the amount of redevelopment project costs incurred in the Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Area only by a public right-of-way.
- (4) All costs are in 2018 dollars and may be increased by five percent (5%) annually 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.
http://inflationdata.com/Inflation/Inflation_Calculators/Inflation_Rate_Calculator.asp#results
- (5) 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.

Sources of Funds

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 for 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 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 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 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 Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The 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 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 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 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 Area and such areas. The amount of revenue from the Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Plan.

Issuance of Obligations

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

The redevelopment project described in the Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the 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 Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the 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 Area. The 2016 EAV of all taxable parcels in the Area is approximately \$2,968,796. This total EAV amount, by PIN, is summarized in Appendix Table 1. 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 Area will be calculated by Cook County. The Plan has utilized the EAVs for the 2016 tax year. If the 2017 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 2016 EAV with the 2017 EAV.

Anticipated Equalized Assessed Valuation

Based upon the implementation of the Plan, numerous blighting factors will be eliminated and growth and development of the Area will occur in accordance with the redevelopment agreement(s) between the City and businesses in the Area and other interested parties. It is estimated that the total EAV of the real property following completion of the Plan in the Area will be approximately \$165 million based on a reasonably assumed schedule of development for the Area.

Potential Future Site Acquisition

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Cook County Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the City’s Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan.

The City does not intend to acquire any property in the Area; therefore, no acquisition list is included in the Plan.

Affordable Housing

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.

Redevelopment and Intergovernmental Agreements

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

Potential Future Relocation Needs

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

V. CONFORMITY TO THE COMPREHENSIVE PLAN

This Plan includes land uses which will be approved by the Chicago Plan Commission prior to the adoption of the Plan.

Therefore, the overall proposed land use is consistent with the intent and direction set forth by comprehensive and strategic planning efforts.

VI. PROVISIONS FOR AMENDING THE PLAN

The Plan may be amended by the City in accordance with the provisions in the Act.

VII. SCHEDULING OF PLAN

Over the life of the Area, the timing of business investment cannot be predicted with precision. However, it is reasonable to expect the following public and private investments over the life of the Area. As the Plan is implemented, the numerous blighting factors present in the Area will be eliminated.

The dates of completion of the Plan and retirement of obligations issued to finance Redevelopment Project Costs shall not be later than December 31 of the year in which the payment to the City Treasurer is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Area is adopted.

VIII. AFFIRMATIVE ACTION PLAN

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

1. The assurance of equal opportunity in all personnel and employment actions, with respect to the Plan, 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, marital status, parental status, military discharge status, source of income, sexual orientation, or housing status.
2. Developers 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.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Developers 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.

IX. LACK OF GROWTH THROUGH PRIVATE INVESTMENT

Based on the Consultant's observations and research of the Area, there has been little new construction or much significant redevelopment in the Area as evidenced by:

- The site is completely vacant and has been at least the past decade.
- Based off the Eligibility Report, the presence of the blighting conditions show the lack of investment by the condition of the land and by its former use.

This Plan describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating the blighting conditions, creating new jobs, and promoting both public and private development in the Area.

In summary, the Area on the whole has not been subject to growth and development through investment by private enterprise, and the Area is not reasonably anticipated to further develop

without the direct participation of the City through the implementation of the Plan and the use of tax increment financing.

X. FINANCIAL AND SERVICE IMPACTS ON TAXING DISTRICTS

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

The following major taxing districts levy property tax on land located within the Area:

- Cook County – Cook County has the principal responsibility for the protection of persons and property, the provision of public health services, and the maintenance of County highways.
- Cook County Forest Preserve District – This District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.
- Metropolitan Water Reclamation District of Greater Chicago – This District provides the main sewerage lines for the collection, treatment, and disposal of waste water from municipalities.
- Chicago Community College District 508 – This district is a unit of the State of Illinois' public community college system. Their objective is to meet the educational needs of the residents of the City and other Illinois residents seeking higher educational programs and vocational services.
- Board of Education of the City of Chicago – The Board of Education is responsible for the provision of educational services and the provision, operation, and maintenance of education facilities for students ranging from Kindergarten through Senior Year in High School (e.g., 12th Grade).
- Chicago Park District – This District is responsible for the provision, maintenance, and operation of park and recreational facilities throughout the City.
- City of Chicago – The City is responsible for the provision of a wide range of municipal services, including, but not limited to: sanitation, water distribution and supply, police protection, fire protection, planning and development, building, housing and zoning codes, and many others.

In addition to the major taxing districts delineated above, the City of Chicago Library Fund and Chicago Urban Transportation District have taxing jurisdiction over the Area. Although these districts no longer extend taxing levies, they continue to exist for purposes of receiving delinquent property taxes.

Impact of the Redevelopment Plan and Project

The implementation of this Plan is anticipated to have a direct impact on the following taxing districts:

- Metropolitan Water Reclamation District of Chicago – The development of currently vacant and underutilized land in the Area may cause increased demand for services and capital improvements provided by the Water Reclamation District.
- City of Chicago – The replacement of currently vacant property with industrial space is anticipated to increase the demand for police protection, fire protection, sanitary collection, sewer service, recycling, etc.

Program to Address Increased Demand for Services or Capital Improvements

These taxing districts will continue to receive property tax revenues net of any incremental property tax revenues attributable to new development within the Area during the 23-year life of the Area. It is also reasonable to assume that the economic and financial benefits resulting from redevelopment efforts in the Area will extend into other sections of the adjacent community and generate additional revenues for the affected taxing districts. In addition, after the 23-year life of the Area, the taxing districts will receive the benefits of an increased property tax base. It is also reasonable to assume that the benefits of the increased property tax base would not occur without the implementation of the Plan and the use of tax increment financing. Specific programs for each affected taxing district are as follows:

- Metropolitan Water Reclamation District of Chicago – Any increase in demand for treatment of sanitary and storm sewage associated with the Area can be addressed by the existing treatment facilities currently in place. Therefore, no assistance is proposed for this district.
- City of Chicago – It is expected that the increase in demand for City services and programs associated with the Area can be adequately addressed by existing City staff, police, fire protection, sanitary collection, and recycling services currently operated and maintained by the City. Therefore, no special assistance is proposed for this taxing district.

The implementation of the Plan is expected to have short and long term financial impacts on the affected taxing districts. During the period when tax increment is utilized, real estate tax revenues from the increases in EAV over and above the certified base EAV may be used to pay eligible redevelopment project costs in the Area. At the time when the Area is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the Area will be distributed to all taxing districts levying taxes against property located in the Area. These revenues will then be available for use by all taxing districts.

However, during the life of this Area, the City does recognize that the implementation of the Plan may have greater impact on the City and other taxing districts than currently anticipated. Given the anticipated scope, timing, and future changes in the market conditions, it is difficult to estimate with any degree of certainty what these impacts may be, if any. However, the City will

work with the taxing districts to provide the increase in necessary programs and services including, but not limited to, reasonable measures in any redevelopment agreements entered into with any developers or other entities to mitigate such fiscal impacts.

XI. HOUSING IMPACT STUDY

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that displacement of residents from 10 or more inhabited residential units will not result from the Redevelopment Plan, the City must prepare a housing impact study and incorporate the study in the redevelopment project and plan.

The Project Area contains zero residential units.

Based on the assessment above, the City certifies that no displacement of residents will occur as a result of the Redevelopment Plan. Therefore, a full housing impact study has not been undertaken as part of this Redevelopment Plan.

**116th/Avenue O
Tax Increment Financing
Eligibility Report**

City of Chicago, Illinois

June 1, 2018

**City of Chicago
Rahm Emanuel, Mayor**

**Department of Planning and Development
David L. Reifman, Commissioner**

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I. Executive Summary

Purpose of Report

Laube Consulting Group LLC (the “Consultant”) has been engaged to prepare this Eligibility Report of a Proposed 116th/Avenue O Tax Increment Financing Redevelopment Area (the or this “Report”) for tax increment allocation financing for the proposed 116th/Avenue O Redevelopment Project Area (the “Area”) in order to assist the City of Chicago (the “City”) in determining whether or not this area of the City qualifies for designation as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.) (the “Act”). This report summarizes the analyses and findings of the Consultant’s work, which is the responsibility of the Consultant. 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 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 Area can be designated as a redevelopment project area in compliance with the Act.

Scope of Report

The Report identifies proposed boundaries of the proposed Area which were developed based on the existence of certain blighting factors present in the Area. The Report establishes the blighting factors which are present in the Area on a parcel by parcel basis.

Methodology

The Consultant conducted various surveys, within the Area, of existing conditions and land uses. In conducting these surveys, the Area conditions were documented and tabulated by the types of blighting factors delineated in the Act. An analysis was made of each of the blighting factors to determine the locations and extent to which each of the factors is present in the Area. Listed below are the types of surveys and analyses conducted by the Consultant.

- I. Exterior survey of the condition of the area;
- II. Analysis of current parcel configurations, sizes and layouts;
- III. Site survey of streets, driveways, sidewalks, curbs, gutters, lighting, parking, landscaping, fences and walls, and general property maintenance; and
- IV. Analysis of real estate property values for all tax parcels within the Area for years 2011 - 2016.

Based on the above surveys and analyses and through the application of the language of the Act, the Consultant was able to determine which blighting factors were applicable to the various parcels within the Area.

Findings Under the Act

A vacant blighted area must have at least 1 of 7 possible blighting factors in order to qualify as a blighted area. The vacant parcels exhibited 3 out of 7 blighting factors. Specifically the factors are obsolete platting of the vacant land and environmental remediation costs have been incurred or are required (collectively comprising 1 factor under the Act), unused disposal site and unused rail.

In summary, the Consultant believes the Area, based upon the criteria delineated in the Act, qualifies for eligibility as a “blighted area” under the Act. However, the ultimate responsibility for designation lies with the City. The purpose of this report is to assist the City in the decision process of establishing a redevelopment project area as defined by the Act.

II. Basis for Redevelopment

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

1. That there exist 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 each area within a prospective redevelopment project area qualifies either as a “blighted area” or as a “conservation area” as defined in the Act (Section 11-74.4-3).

Under the Act a “blighted area” is: (1) an improved area if industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of 13 blighting factors listed in the Act, each of which is present to a meaningful extent and reasonably distributed throughout the improved part of the project area; or (2) a vacant area if the sound growth of the project area is impaired by a minimum number of blighting factors included in two alternative sets of criteria, with each factor present to a meaningful extent and reasonably distributed throughout the vacant part of the project area.

Under the Act a “conservation area” is any improved area in which 50 percent or more the structures have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the 13 improved area blighting factors is detrimental to the public safety, health, morals or welfare and may become a blighted area.

Improved Area Eligibility Criteria

Under Section 11-74.4-3 of the Act, an improved area qualifies as a blighted area if industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following 13 factors, each of which is (i) present, with that presence documented, to a meaningful extent so that 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 Project Area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental remediation costs have been incurred or are required
12. Lack of community planning
13. Declining or lagging rate of growth of total equalized assessed valuation

As long as a factor is present to a meaningful extent and reasonably distributed throughout the improved part of the Project Area, it is not required that the factor apply to every parcel within the Project Area.

Vacant Area Eligibility Criteria

Section 11-74.4.3 of the Act includes two sets of eligibility criteria for vacant areas.

Under the first set of criteria, described in Section 11-74.4.3(a)(2) of the Act, a vacant area qualifies as a blighted area if the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that 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 redevelopment project area:

- (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

Under the second set of criteria, described in Section 11-74.4.3(a)(3) of the Act, a vacant area qualifies as a blighted area if the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that the City may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area:

- (a) The area 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.

III. Redevelopment Project Area

The Area encompasses approximately 263 acres of land in the City including the public rights-of-way. The Area generally is bounded by 114th Street to the north, 122nd St. to the south, Avenue O to the east and the Calumet River to the west. (Please see legal description and boundary map in the Appendix.)

Blighting Conditions

The Consultant visited the Area in April of 2018 to ascertain the physical condition of properties and infrastructure located within the Area. The Consultant also gathered and reviewed various data from the environmental and geotechnical reports provided to us by the land owner and City and County associated with the parcels located within the Area.

Based on the Consultant's review of the Area, the Consultant believes that a sufficient basis exists for the identification of a blighted area and establishment of a redevelopment project area at this location under the Act.

Specifically, under the Act, the vacant parcels exhibited 3 of 7 blighting factors. It is the Consultant's conclusion that the blight is reasonably distributed throughout the vacant part of the Area.

IV. Eligibility of a Blighted Area under the Act

If the area is vacant (e.g., without building improvements), a finding may be made that the area is blighted because of the presence of a combination of one or more of the following seven factors: (65 ILCS 5/11-74.4-3).

1. If the area is vacant (e.g. property without industrial, commercial, and residential buildings which has not been used for commercial or agricultural purposes within 5 years prior to the designation of the project area), a finding may be made that the area is impaired by a combination of two or more of the six following sub-factors:
 - Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.
 - Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
 - 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.
 - Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
 - 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 total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated 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 prior to the year in which the redevelopment project area is designated.
2. The area consists of one or more unused quarries, mines, or strip mine ponds;

3. The area consists of unused rail yards, rail tracks, or railroad right-of-way;
4. The area prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding;
5. The area consists of an unused or illegal disposal site, containing earth, stone, building debris or similar material, which was removed from construction, demolition, excavation or dredge sites;
6. The area is not less than 50 nor more than 100 acres, and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the Act, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that purpose;
7. The area qualified as a blighted improved area immediately prior to becoming vacant.

V. Findings from the Eligibility Survey and Analysis under the Act

An analysis was made of each of the blighting factors listed in the Act to determine whether each or any are present in the Area and, if so, to what extent and in what locations. Surveys and analyses within the Area included:

- Survey of the condition of the parcels;
- Field survey of conditions of sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
- Analysis of existing uses and their relationships to neighboring properties; and
- Site coverage.

The following parcels represent vacant parcels and were evaluated under the vacant land blighting criteria:

	26-19-200-041-0000	26-19-203-022-0000
Pins	26-19-201-008-0000	26-19-203-023-0000
26-19-200-028-0000	26-19-201-010-0000	26-19-203-024-0000
26-19-200-032-0000	26-19-201-011-0000	26-19-204-017-0000
26-19-200-037-0000	26-19-202-023-0000	26-19-204-018-0000
26-19-200-039-0000	26-19-202-024-0000	26-19-205-017-0000
26-19-200-040-0000		

26-19-205-018-0000	26-19-206-049-0000	26-19-401-003-0000
26-19-205-019-0000	26-19-207-001-0000	26-19-401-005-0000
26-19-206-001-0000	26-19-207-002-0000	26-19-401-007-0000
26-19-206-018-0000	26-19-207-003-0000	26-19-401-008-0000
26-19-206-019-0000	26-19-207-004-0000	26-19-500-008-0000
26-19-206-020-0000	26-19-301-004-0000	26-19-501-002-0000
26-19-206-021-0000	26-19-301-005-0000	26-20-100-002-0000
26-19-206-022-0000	26-19-301-008-0000	26-20-100-003-0000
26-19-206-023-0000	26-19-301-009-0000	26-20-101-049-0000
26-19-206-024-0000	26-19-301-010-0000	26-20-101-050-0000
26-19-206-025-0000	26-19-400-012-0000	26-20-111-003-0000
26-19-206-042-0000	26-19-400-013-0000	26-30-200-006-0000
26-19-206-043-0000	26-19-400-014-0000	26-30-200-008-0000
26-19-206-044-0000	26-19-400-015-0000	26-30-200-010-0000
26-19-206-045-0000	26-19-400-016-0000	26-30-201-002-0000
26-19-206-046-0000	26-19-400-017-0000	26-30-201-006-0000
26-19-206-047-0000	26-19-400-018-0000	26-30-201-011-0000
26-19-206-048-0000		

Each blighting factor is rated on one of the three following categories:

Not Present	Indicates that no information was available or that no evidence could be documented as part of the various surveys and analyses.
Present to a Limited Extent	Indicates that conditions exist which document that the factor is present, but the distribution of impact of the blighting condition is limited.
Present to a Major Extent	Indicates that conditions exist which document that the factor is present throughout a major portion of the proposed Area and the presence of such conditions have an influence on adjacent and nearby development.

The following is a summary evaluation of the respective factors, presented in the order of their listing in the Act. A definition of each category is presented followed by the conditions that exist and the relative extend to which each factor is present.

Vacant Blighted Area

VACANT LAND FACTOR 1 – Combination of Two Factors

The vacant portion of the Project Area must exhibit a combination of 2 or more of the 6 factors listed below for qualification as a blighted area under the first set of criteria set forth in the Act.

A. Obsolete Platting of the Vacant Land

Section 11-74.4-3(a)(2)(A) of the Act: "Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities."

The vacant parcels in their current configurations display irregular sizes and shapes that will make it difficult to develop the Area in a manner that is compatible with contemporary standards and requirements.

Real estate development is driven by the highest and best use of a property at the time the property is developed. Over time, changes in technology, design, and economics may alter the highest and best use of a property causing it to become functionally or economically obsolete. Obsolescence has an overall blighting effect on the surrounding area, detracting from the desirability of the overall area.

Conclusion for Obsolete Platting – Present to a Major Extent

The lack of interior access roads and the current parcel configuration make it difficult to accommodate multiple users or the development plans that are in conformance with the planning efforts of the City. The configuration was conducive to one steel manufacturing plan and is not practical for contemporary development standards or standards associated with the Plan for the Area as proposed by the City. The Area's configuration, lay-out, lack of improved public right of way, and lack of access roads and other basic infrastructure make it obsolete by modern-day standards and create a material and serious impediment to development on the site.

B. Diversity of Ownership

Section 11-74.4-3(a)(2)(B) of the Act: "Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development."

Conclusion for Diversity of Ownership – Not Present

C. Tax and Special Assessment Delinquencies or the Subject of Tax Sales

Section 11-74.4-3(a)(2)(C) of the Act: "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."

Conclusion for Tax and Special Assessment Delinquencies – Not Present

D. Deterioration of Adjacent Improvements

Section 11-74.4-3(a)(2)(D) of the Act: "Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land."

Conclusion for Deterioration of Structures in Neighboring Areas – Not Present

E. Environmental Remediation Costs Have Been Incurred or Are Required

Section 11-74.4-3(a)(2)(E) of the Act: "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."

Conclusion- Present to a Major Extent

The Area contains a 3,000 gallon fuel tank and two 1,000 gallon fuel tanks. The soils in the area were analyzed and contain semi-volatile organic compounds, volatile organic compounds, polynuclear aromatic hydrocarbons, benzene, toluene, ethylbenzene and xylene. According to a Phase I environmental study the fuel tanks identified on the site were not properly abandoned and may be leaking. The Phase I report also identified three areas of stained gravel in the vicinity of stored and used oil tanks.

F. Declining Or Lagging Rate Of Growth Of Total Equalized Assessed Valuation

Section 11-74.4-3(a)(2)(F) of the Act: "The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated 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 prior to the year in which the redevelopment project area is designated."

Conclusion – Not Present

The percentage in the Area EAV has increased more than the percentage increase in the Consumer Price Index and the percentage increase in the overall EAV for the City for the past 3 of 5 years.

VACANT LAND FACTOR 2 – Unused Quarries or Mines

Section 11-74.4-3(a)(3)(A) of the Act: "The area consists of one or more unused quarries, mines, or strip mine ponds."

Conclusion - Not Present

There are no quarries, mines, or strip mind ponds present.

VACANT LAND CRITERIA 3 – Unused Rail

Section 11-74.4-3(a)(3)(B) of the Act: "The area consists of unused rail yards, rail tracks, or railroad right-of-way."

Conclusion– Present to a Major Extent

The Area contains many unused rail tracks on its south and east side. There are at least 15-18 rail spurs that are present on the site that are encased in concrete and abandoned. The removal costs of these rail spurs are expected to be very significant.

VACANT LAND FACTOR 4 – Chronic Flooding

Section 11-74.4-3(a)(3)(C) of the Act: "The Area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the Area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the Area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding."

Conclusion– Not Present

VACANT LAND FACTOR 5 – Unused Disposal Site

Section 11-74.4-3(a)(3)(D) of the Act: The Area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites."

Conclusion– Present to a Major Extent

The vacant land in the Area is an unused disposal site as defined by the Act. In 1941, the Area was purchased by Republic Steel and steel making processes were undertaken on the site. Beginning in the mid-1940's the steel making waste (slag) was deposited on the site. The site is a "fill site", was originally swamp land which was filled-in over time by slag from the mid-

1940's until the mid-1980's when steel making operations ceased on the site. The slag is uneven and is much higher than street-level as compared to the adjacent neighborhood in some places and at street-level in others. In addition to the slag, the entire Area is littered with building material and steel production remnants. The vacant parcel contains building materials from the prior steel production operations such as dumped asphalt, concrete slabs, rusty and broken fence posts, broken concrete bricks, broken glass, broken cinder blocks, broken wooden beams, scrap metal, and broken foundations from buildings that were previously located on the site. There are dumped building materials, clay, broken pipes, loose paving materials, railroad ties, iron ore, exposed electrical wires, and wooden debris strewn throughout the vacant parcels. There are slag piles on the western and southern portions of the site that are over 10-feet high in some places.

As a result, the geotechnical report referred to above makes the following findings:

- The Area once contained a number of major structures ranging from furnace operations to power plants
- The above ground structures were demolished leaving in place foundations buried with the demolition debris and slag.
- Bituminous concrete pavement was encountered in many borings under the surface.
- The fill materials found at the surface generally extended 3 to 13 feet below grade. The fill material was primarily steel slag and it was often cemented, fused or dense going below the surface.
- Rigid objects such as buried concrete and steel were found within or underlying the fill in many areas of the site.
- The groundwater is generally 2 to 8 feet below the surface of the fill.
- The fill also consisted of other demolished building materials such as sand, gravel, cinders, brick and crushed concrete.
- Buried obstructions such as old foundations and railroad ties were also found over the whole site.
- The borings confirmed the presence of buried foundations in places as well as the variability and presence of other building materials in the sub-surface conditions.

VACANT LAND FACTOR 6 – Vacancy

Section 11-74.4-3(a)(3)(E) of the Act: "Prior to November 1, 1999, the Area is not less than 50 nor more than 100 acres, and 75% of which is vacant (notwithstanding the area has been used for commercial agricultural purposed within 5 years prior to the designation of the redevelopment project area), and the Area meets at least one of the factors itemized in paragraph (1) of this subsection,, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the Area has not been developed for that purpose."

Conclusion – Not Present

VACANT LAND FACTOR 7 – Former Improved Blighted Area

Section 11-74.4-3(a)(3)(F) of the Act: "The Area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding Area."

Conclusion – Not Present

OVERALL CONCLUSION FOR THE VACANT PARCELS

The vacant parcel clearly demonstrated three (3) of the seven (7) blighting factors delineated for vacant parcels in the Act. The Area exhibited two sub-criteria, resulting in meeting the first factor, and two additional factors, totaling three of the seven blighting factors. Since only one (1) of seven (7) is necessary, the Area qualifies as blighted under the Act.

APPENDIX -- Table 1

Pins	2016 EAV
26-19-200-028-0000	\$ 97,434
26-19-200-032-0000	\$ -
26-19-200-037-0000	\$ -
26-19-200-039-0000	\$ 253,720
26-19-200-040-0000	\$ 152,211
26-19-200-041-0000	\$ 232,610
26-19-201-008-0000	\$ 21,688
26-19-201-010-0000	\$ -
26-19-201-011-0000	\$ 6,032
26-19-202-023-0000	\$ 4,995
26-19-202-024-0000	\$ 4,995
26-19-203-022-0000	\$ 4,995
26-19-203-023-0000	\$ 39,752
26-19-203-024-0000	\$ 1,239
26-19-204-017-0000	\$ 64,115
26-19-204-018-0000	\$ 64,095
26-19-205-017-0000	\$ 20,892
26-19-205-018-0000	\$ 20,965
26-19-205-019-0000	\$ -
26-19-206-001-0000	\$ -
26-19-206-018-0000	\$ 1,892
26-19-206-019-0000	\$ 1,892
26-19-206-020-0000	\$ 1,892
26-19-206-021-0000	\$ 1,665
26-19-206-022-0000	\$ -
26-19-206-023-0000	\$ -
26-19-206-024-0000	\$ 420
26-19-206-025-0000	\$ -
26-19-206-042-0000	\$ 1,892
26-19-206-043-0000	\$ 1,931
26-19-206-044-0000	\$ 2,383
26-19-206-045-0000	\$ 1,968
26-19-206-046-0000	\$ 1,917
26-19-206-047-0000	\$ 1,682

26-19-206-048-0000	\$	2,102
26-19-206-049-0000	\$	2,313
26-19-207-001-0000	\$	10,590
26-19-207-002-0000	\$	45,771
26-19-207-003-0000	\$	5,371
26-19-207-004-0000	\$	15,053
26-19-301-004-0000	\$	41,939
26-19-301-005-0000	\$	36,876
26-19-301-008-0000	\$	757,186
26-19-301-009-0000	\$	18,316
26-19-301-010-0000	\$	14,243
26-19-400-012-0000	\$	11,698
26-19-400-013-0000	\$	200,275
26-19-400-014-0000	\$	62,195
26-19-400-015-0000	\$	27,710
26-19-400-016-0000	\$	41,333
26-19-400-017-0000	\$	105,375
26-19-400-018-0000	\$	29,257
26-19-401-003-0000	\$	81,511
26-19-401-005-0000	\$	6,733
26-19-401-007-0000	\$	85,831
26-19-401-008-0000	\$	135,557
26-19-500-008-0000	\$	-
26-19-501-002-0000	\$	-
26-20-100-002-0000	\$	-
26-20-100-003-0000	\$	-
26-20-101-049-0000	\$	-
26-20-101-050-0000	\$	-
26-20-111-003-0000	\$	-
26-30-200-006-0000	\$	39,598
26-30-200-008-0000	\$	3,969
26-30-200-010-0000	\$	26,611
26-30-201-002-0000	\$	-
26-30-201-006-0000	\$	9,747
26-30-201-011-0000	\$	142,361
		<hr/>
Total	\$	<u>2,968,796</u>

LEGAL DESCRIPTION OF THE AREA
Redevelopment Project Area

ALL THAT PART OF SECTIONS 19, 20, 29 AND 30 IN TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF 114TH STREET WITH THE WEST LINE OF EWING AVENUE;
THENCE SOUTH ALONG THE WEST LINE OF EWING AVENUE TO THE NORTH LINE OF 115TH STREET;
THENCE WEST ALONG THE NORTH LINE OF 115TH STREET TO THE WEST LINE OF AVENUE "L";
THENCE SOUTH ALONG THE WEST LINE OF AVENUE "L" TO THE NORTH LINE OF 116TH STREET;
THENCE WEST ALONG THE NORTH LINE OF 116TH STREET TO THE EAST LINE OF AVENUE "O";
THENCE SOUTH ALONG THE EAST LINE OF AVENUE "O" TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-204-002;
THENCE WEST ALONG THE EASTERLY EXTENSION OF THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-204-002 TO THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-204-002;
THENCE SOUTH ALONG THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-204-002 TO THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-201-011;
THENCE WEST ALONG THE SOUTH LINE OF THE PARCELS OF PROPERTY BEING PIN 26-30-201-011 AND PIN 26-30-201-006 TO THE SOUTHEAST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-008;
THENCE WEST ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-008 TO THE SOUTHWEST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-008;
THENCE NORTHWESTERLY FROM THE SOUTHWEST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-008 TO THE SOUTHERN-MOST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-010;
THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF THE PARCEL OF PROPERTY BEING PIN 26-30-200-010 TO THE SOUTH LINE OF THE PARCELS OF PROPERTY BEING PINS 26-30-200-010 AND 26-30-200-006;
THENCE WEST ALONG THE SOUTH LINE OF THE PARCELS OF PROPERTY BEING PINS 26-30-200-010 AND 26-30-200-006 AND ITS WESTERLY EXTENSION TO THE WEST LINE OF CARONDOLET AVENUE;
THENCE NORTH ALONG THE WEST LINE OF CARONDOLET AVENUE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF 122ND STREET;

THENCE EAST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF 122ND STREET TO THE EAST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-002;
THENCE NORTH ALONG THE EAST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-002 TO THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-002;
THENCE WEST ALONG THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-002 AND ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-004 TO THE WESTERLY LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-004;
THENCE NORTHEASTERLY, NORTHERLY, NORTHWESTERLY AND NORTHERLY ALONG THE WESTERLY LINES OF THE PARCELS OF PROPERTY BEING PINS 26-19-301-004, 26-19-401-008, 26-19-401-005 AND 26-19-301-004 TO THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010;
THENCE WEST ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010 TO THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010;
THENCE NORTH ALONG THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010 TO THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010;
THENCE EAST ALONG THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010 TO A CORNER OF PIN 26-19-301-010;
THENCE NORTHEASTERLY ALONG THE NORTHWESTERN LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010 TO THE NORTHERN-MOST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010;
THENCE SOUTHEASTERLY ALONG THE NORTHEASTERN LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-010 TO THE NORTHWEST CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-009;
THENCE EAST ALONG THE NORTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-009 TO THE SOUTHWESTERN CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-009;
THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-301-009 TO THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-007;
THENCE NORTH ALONG THE WEST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-401-007 TO THE CENTERLINE OF 118TH STREET;
THENCE EAST ALONG THE CENTERLINE OF 118TH STREET TO THE EAST LINE OF THE WEST 28.60 FEET OF VACATED BURLEY AVENUE;
THENCE NORTH ALONG THE EAST LINE OF THE WEST 28.60 FEET OF VACATED BURLEY AVENUE TO THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-041;
THENCE WESTERLY ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-041 TO THE SOUTHWESTERN CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-041;

THENCE NORTH ALONG THE WESTERN LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-041 TO THE SOUTHWESTERN CORNER OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-032;

THENCE EAST ALONG THE SOUTH LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-032 TO THE EAST LINE OF THE PARCEL OF PROPERTY BEING PIN 26-19-200-032;

THENCE NORTH ALONG THE EAST LINES OF THE PARCELS OF PROPERTY BEING PINS 26-19-200-032 AND 26-19-200-031 TO THE NORTH LINE OF 116TH STREET;

THENCE EAST ALONG THE NORTH LINE OF 116TH STREET TO THE WEST LINE OF AVENUE "O";

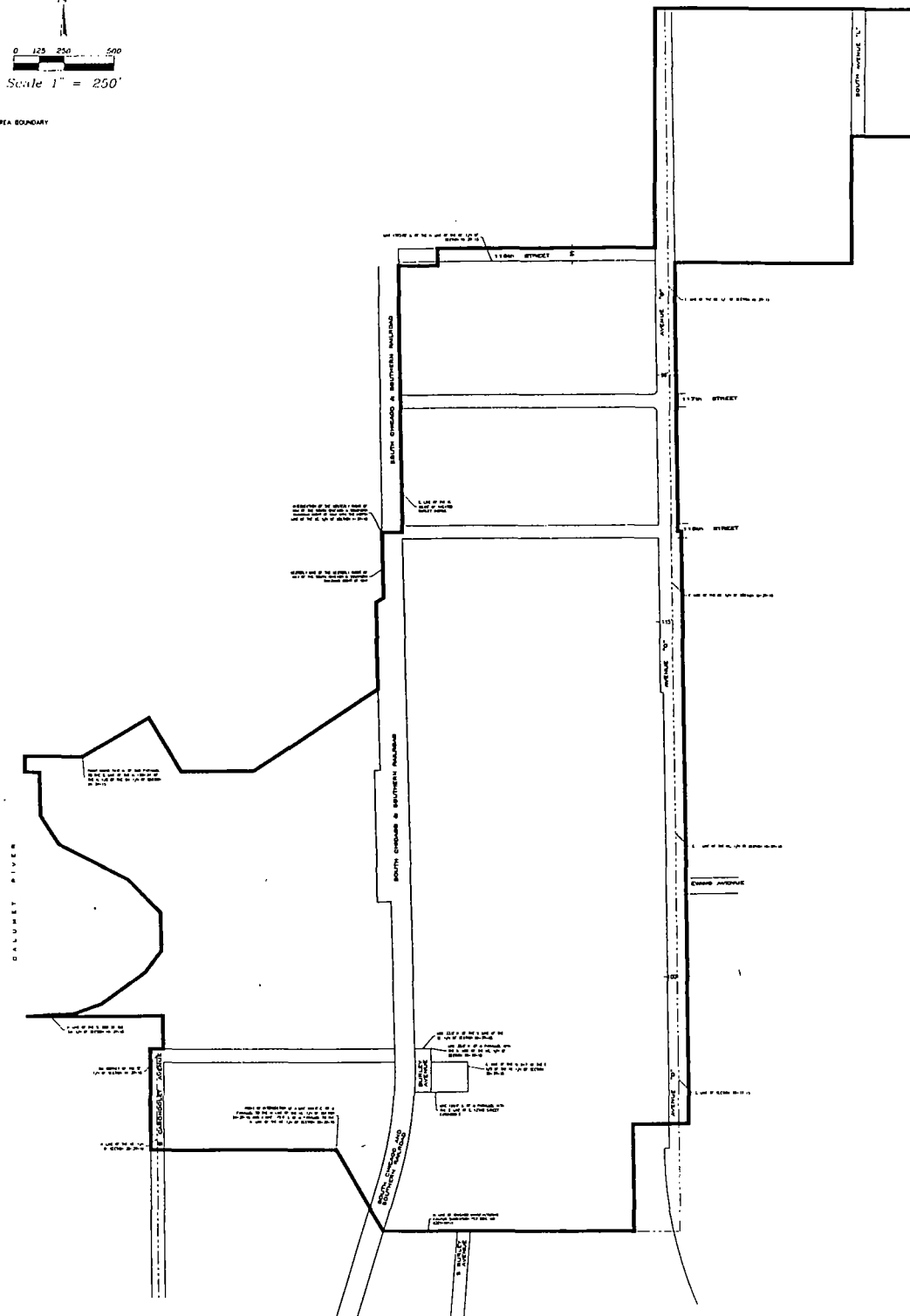
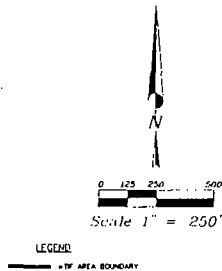
THENCE NORTH ALONG THE WEST LINE OF AVENUE "O" TO THE SOUTH LINE OF 114TH STREET;

THENCE EAST ALONG THE SOUTH LINE OF 114TH STREET TO THE POINT OF BEGINNING;

ALL IN COOK COUNTY, ILLINOIS.

Map 1 – Boundary Map

PROPOSED TIF AREA EXHIBIT



Map 2 – Existing Land Use Map

[illegible]

Date prepared: _____
Scale _____

44. 2019

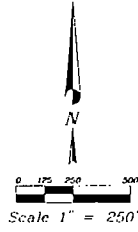
Scale

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JACOB & MEINER

Map 3 – Proposed Land Use Map

PROPOSED LAND USE EXHIBIT



- LEGEND
- TRAPLA BOUNDARY
 - INDUSTRIAL/COMMERCIAL/PAVED USE
 - INSTITUTIONAL
 - PARKS/OPEN SPACE

