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Legislation Text

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City of Chicago Richard M. Daley, Mayor

Department of Law

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January 24, 2011

Mr. Miguel Del Valle City Clerk

121 North LaSalle Street Chicago, Illinois 60602

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Re: Revised Amendment No. 5 to the Redevelopment Plan for the Neffl*5oiM Tax Increment Financing
Redevelopment Project Area

Dear Mr. Del Valle:

I enclose a revised proposed Amendment No. 5 to the Near South Tax Increment Redevelopment Area
Redevelopment Plan and Project (the "Amendment to the Plan") for the Near South Tax Increment Financing
Redevelopment Project Area, Chicago, Illinois, dated December, 2010. The revised Amendment to the Plan
replaces that which was filed with your office on December 3, 2010 (the revision concerns only a technical
correction to the legal description of the Near South Tax Increment Financing Redevelopment Project Area
contained in the Amendment to the Plan).

Please make the revised Amendment to the Plan available in your office as of this date for public inspection in
accordance with the requirements of Section 5/1 1-74.5-5(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 call me at 744-8973.

Michael L. Gay Assistant Corporation Counsel

Enclosure

cc: Beth McGuire

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NEAR SOUTH TAX INCREMENT FINANCING o^i <-
REDEVELOPMENT PROJECT AND PLAN -i-! ^
AMENDMENT 5 "<£? S\$

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Prepared for: The City of Chicago

By:

Teska Associates, Inc. December, 2010

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1. INTRODUCTION

On November 28, 1990, based on the necessary Tax Increment Financing eligibility criteria and findings, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Central Station Redevelopment Project Area Tax Increment Financing Redevelopment Project and Plan; 2) designate the Central Station Project Area as a redevelopment project area; and 3) adopt tax increment allocation financing for the Central Station Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act, presently codified as 65 ILCS 5/11-74.4 et seq., as amended (the "Act").

The City, in 1994, recognized that in order to accomplish the stated development goals of the Central Station Redevelopment Project Area TIF, the boundary should be amended to include additional parcels that would benefit from inclusion in the TIF district. Thus on August 3, 1994, the City expanded the boundaries of the Central Station Project Redevelopment Project Area by designating such expanded project area as a redevelopment project area under the Act, and amending the original plan and project to provide for the development of the area added to the original redevelopment project area. In addition the name of the "Central Station Area" Tax Increment Financing Redevelopment Project and Plan was renamed to the Near South Tax Increment Financing Redevelopment Project and Plan. To carry out this amendment, the City adopted ordinances to: 1) approve the Near South Tax Increment Financing Redevelopment

Project and Plan; 2) designate the Central Station Redevelopment Project Area and the additional project area resulting from the expanded boundaries as the Near South Redevelopment Project Area; and 3) adopt tax increment allocation financing for the expanded redevelopment project area, all pursuant to the Act. The Near South TIF Redevelopment Project and Plan name change and boundary amendment was incorporated as Amendment 1.

In 1999, the City determined that an amendment to the Near South TIF Redevelopment Project and Plan was necessary in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s) (State Bar Edition). This change was incorporated as Amendment 2.

In 2001, the City adopted an ordinance for Amendment 3 which added a 24th collection year as allowed by the Act.

In 2010, the City adopted an ordinance for Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

The success of the Near South TIF Redevelopment Plan and Project has been tremendous, and created significant public and private redevelopment opportunities, including significantly increasing the residential units and population in the immediate area. This residential population boom has caused strain on surrounding public and community facilities, including public schools, parks, and roads. The Act recognizes that some redevelopment outcomes and activities may not be possible to predict at the time of establishing the TIF district. The Act incorporates means by which redevelopment plans, budgets and redevelopment activities may be modified, and this Near South TIF Redevelopment Plan and Project Amendment 5 follows those procedures for amendment.

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While the residential growth of the area was expected, the extent and impact of such growth was not measurable at the time of the original TIF and Amendments 1,2,3, and 4. As a result, this fifth amendment to the TIF provides for an adjusted budget to cover additional redevelopment activities not enumerated previously but anticipated in general terms in the original TIF and Amendments 1, 2, 3, and 4. More specifically, the original TIF and previous amendments indicate that "residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, and City." However, the extent of this development or demand was immeasurable, creating the need for this fifth amendment to the TIF, which will provide for an increased budget to accommodate additional development and demands for services or capital improvements.

The City recognizes that in order to accomplish the development goals for the adopted Near South TIF Redevelopment Project and Plan, as well as provide the necessary public facilities to ensure continued growth in the area, the boundary should be amended to include additional parcels that would benefit from inclusion in the TIF district. Specifically the boundary amendment is intended to include the 13-parcel area that houses Jones College Prep and its associated site. By adopting the boundary amendment, the City recognizes that redevelopment of these parcels would not be possible without a public/private partnership.

The Near South Tax Increment Financing Redevelopment Project and Plan Amendment 5 (the "TIF Redevelopment Project and Plan Amendment 5") summarizes the analysis and findings of the consultant's work, which unless otherwise noted is solely the responsibility of Teska Associates, Inc. and its subconsultants. Teska Associates, Inc. has prepared this TIF Redevelopment Project and Plan Amendment 5 with the understanding that the City would rely: (i) on these findings and conclusions in proceeding with the adoption and implementation of the TIF Redevelopment Project and Plan Amendment 5; and (ii) on the fact that Teska Associates, Inc. has obtained the necessary information so that the TIF Redevelopment Project and Plan Amendment 5 will comply with the Act.

Near South TIF Timeline:

- 1990: City adopts the Central Station Area Tax Increment Financing Redevelopment Project and Plan.
- 1994: City adopts Amendment 1, which 1) amends the name of the Central Station TIF to the Near South Area Tax Increment Financing Redevelopment Project and Plan; and 2) amends the boundary to include additional parcels that would benefit from inclusion in the TIF.
- 1999: City adopts Amendment 2, which incorporate the "portability" language included in the Act.
- 2001: City adopts Amendment 3 which added a 24th collection year as allowed by the Act.
- 2010: City adopts Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

Map 1 illustrates the Near South TIF Project Boundary.

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Boundary Amendment Intent and Use

The Near South TIF Redevelopment Project and Plan Amendment 5 is not intended to replace or supersede the existing Near South Tax Increment Redevelopment Project and Plan (including Amendment 1 and Amendment 2). Rather, the TIF Redevelopment Project and Plan Amendment 5 is intended to complement the adopted planning goals and policies which were outlined in the 1990 adoption and updated in the 1994 and 1999 amendments.

The existing adopted Near South Tax Increment Financing District Redevelopment Project and Plan (including Amendments 1, 2, 3, and 4) should be utilized for goals and policies, eligibility analysis, future land use plan, and redevelopment projects for those areas within the existing TIF boundary prior to the adoption of this Amendment. This TIF Redevelopment Project and Plan Amendment 5 only contemplates the eligibility, future land uses, and redevelopment projects for those aforementioned 13 additional parcels. This TIF Redevelopment Project and Plan Amendment 5 does include a revised Near South Tax Increment Redevelopment Plan and Project (including Amendments 1, 2, 3, and 4) budget. Inclusion of the entire project budget was necessary in order to ensure that 1) there was a relationship between the Near South Tax Increment Redevelopment Plan and Project (including Amendments 1, 2, 3, and 4) budget and the TIF Redevelopment Project and Plan Amendment 5 redevelopment costs; and 2) projects were not included within the TIF Redevelopment Project and Plan Amendment 5 that could not be funded.

Purpose of Tax Increment Financing

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the Tax Increment Allocation Redevelopment Act. The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4 et seq. as amended. The Act provides a means for municipalities after the approval of a "redevelopment plan and project" to redevelop "blighted", "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

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

Tax Increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and

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interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The 1990 Central Station Tax Increment Redevelopment Project and Plan, the 1994 Amendment (1), the 1999 Amendment (2), the 2001 Amendment to add 24th Year Collection Language (3), and the 2010 CPI/Budget Amendment (4)

1990 Central Station Tax Increment Financing Redevelopment Project and Plan

The Central Station TIF Redevelopment Project and Plan represented one of the most important economic opportunities available for the City of Chicago. By creating an environment for private development, Chicago strengthened its tax base and established an atmosphere that created and retained jobs and a real alternative for companies that might otherwise have moved to the suburbs or out of state. At the same time, the longstanding objective was to complete a southern edge to Grant Park, so in part the Museum Campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

The adoption of the Central Station TIF Redevelopment Project and Plan made possible the implementation of a comprehensive redevelopment program. By means of public investment, the area became a stable environment that has again attracted private investment. The Central Station TIF Redevelopment Project and Plan provided redevelopment opportunities to create a direct linkage between the lakefront and the area south of Roosevelt Road. In addition, the extraordinarily important McCormick Place facility was able to be expanded and integrated into the downtown area, which provides the vital connection for the Museum Campus and McCormick Place with the rest of the City.

1994 Amendment including the Renaming to "Near South Tax Increment Financing District Redevelopment Project and

Plan"; and 1999 Amendment

During the process of implementing the Central Station TIF Redevelopment Area Project and Plan it became evident that changes to the boundaries of the adopted Central Station TIF Redevelopment Project Area and the development program were necessary in order to facilitate full achievement of the stated purpose and objectives.

The 1994 amended area consisted of approximately 248.4 acres, encompassing thirty-eight full and partial city blocks, and various street and alley rights-of-way, and was generally bounded by Congress Parkway on the north; Michigan Avenue, Indiana Avenue and Calumet Avenue on the east; the Michigan-Cermak Redevelopment Tax Increment Financing Project on the south; and State Street on the west. This area contained vacant land, vacant and deteriorating buildings, numerous older and obsolete commercial and industrial buildings, underutilized sites and deteriorated street, sidewalks and alleys. Many of these conditions have been addressed and have significantly benefited from inclusion in the Near South Redevelopment Project Area. In addition, the City amended the name of the Central Station TIF Redevelopment Area Project and Plan to the "Near South Tax Increment Financing Redevelopment Area Project and Plan."

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In the 1999 amendment, the City determined that an additional amendment to the Near South Tax Increment Financing Redevelopment Project and Plan was necessary in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s). The boundaries of the TIF remained the same as from the 1994 amendment.

For details regarding the original 1990 Central Station Area Tax Increment Financing Redevelopment Project and Plan, and the subsequent 1994 and 1999 amendments, please refer to those plans.

2001 Amendment to add 24th Collection Year

In 2001, the City adopted an ordinance for Amendment 3 which added a 24th collection year as allowed by the Act.

2010 CPI/Budget Amendment

In 2010, the City adopted an ordinance for Amendment 4 to amend the budget by applying an annual CPI increase with a one-time 5% increase.

2. NEAR SOUTH TIF REDEVELOPMENT AMENDMENT 5 PROJECT AREA DESCRIPTION

The boundaries of the property to be added pursuant to the Near South TIF Redevelopment Project and Plan have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements to be undertaken as part of the Near South TIF Redevelopment Plan. The 13 parcels to be added are referred to as the "Near South TIF additional parcels." The additional parcels are generally bounded by W. Harrison Street to the north, S. State Street to the east, W. Polk Street to the south, and S. Plymouth Court and alley to the west. The boundaries of the entire Near South TIF Redevelopment Project Area, including the additional parcels, are more specifically shown in Map 1 (Project Boundary Map), and more particularly described as follows (language of the revised legal description are marked by bold italics for added text and strikethrough marks for removed text):

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF SOUTH MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF EAST 11TH STREET, AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF EAST 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH COLUMBUS DRIVE;

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THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF EAST ROOSEVELT ROAD;

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND

SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE EAST 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2, AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

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THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEE, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AND, INCLUDING THE AREA DESCRIBED AS:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21, AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

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THENCE WEST LONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY;

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L.&I. HARMON'S SUBDIVISION OF BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;
THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET;
THENCE WESTWARD ALONG SAID SOUTH LINE OF WEST HARRISON STREET TO THE WEST LINE OF SOUTH PLYMOUTH COURT: THENCE SOUTHWARD ALONG SAID WEST LINE TO THE SOUTH LINE. EXTENDED WEST. OF A EAST-WEST PUBLIC ALLEY. SAID SOUTH LINE ALSO BEING THE NORTH LINE OF LOT 25 IN BLOCK 136 OF SUBDIVISION OF BLOCKS 125 AND 136 OF SCHOOL SECTION ADDITION: THENCE EASTWARD ALONG SAID SOUTH LINE TO THE NORTHEAST CORNER OF SAID LOT 25. SAID CORNER ALSO BEING ON THE WEST LINE OF ANOTHER NORTH-SOUTH PUBLIC ALLEY: THENCE SOUTHWARD ALONG WEST LINE OF SAID NORTH-SOUTH PUBLIC ALLEY TO THE NORTH LINE OF WEST POLK STREET: THENCE EASTWARD ALONG SAID NORTH LINE OF WEST POLK STREET TO THE WEST LINE OF SOUTH STATE STREET: THENCE NORTHWARD ALONG SAID WEST LINE TO THE SOUTH LINE. EXTENDED WEST. OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO; THENCE EAST ALONG SAID EXTENDED LINE AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND. 30 FEET WIDE. WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15:

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THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;
THENCE SOUTH ALONG SAID WEST LINE OF SAID STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;
THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;
THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;
THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET;
THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21 ST STREET;
THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21 ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;
THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;
THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 OF THE EAST LINE OF SOUTH WABASH AVENUE (SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);
THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;
THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE

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CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;
THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;
THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST

25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;
THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;
THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);
THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK

26;
THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;
THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;
THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);
THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;
THENCE EAST LONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK

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THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE
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SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;
THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);
THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21 ST STREET;
THENCE EAST ALONG THE SOUTH LINE OF EAST 21 ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;
THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;
THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;
THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;
THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID;
THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;
THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;
THENCE WEST ALONG SAID THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;
THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;
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THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;
THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN

BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO; THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21; THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO; THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE; THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

3. NEAR SOUTH AMENDMENT 5 REDEVELOPMENT PROJECT AREA GOALS

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City, other public agencies, and the private sector to redevelop parts of the Near South TIF Redevelopment Amendment 5 Project Area will receive significant support from the financing methods made available by the Act. Managed growth in the form of investment in new development and facilities is essential. Redevelopment efforts will strengthen the entire City and specifically the surrounding South Loop area through facility enhancements, environmental improvements, additional open space, added employment opportunities, and private development opportunities.

In addition to furthering the established goals of the Near South TIF Redevelopment Project Area, specific goals for the Near South TIF Redevelopment Amendment 5 Project Area include:

- Provide necessary public infrastructure and facilities for the improvement of public schools;
- Provide public infrastructure and transportation improvements within and adjacent to the Redevelopment Project Area;
- Provide economic development opportunities within and adjacent to the Redevelopment Project Area;
- Create the necessary public infrastructure and facilities to ensure continued development opportunities within and adjacent to the Redevelopment Project Area; and

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- Create an environment within the Redevelopment Project Area that will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.

4. NEAR SOUTH REDEVELOPMENT AMENDMENT 5 PROJECT AREA ELIGIBILITY STUDY

The initial Near South Redevelopment Project and Plan and subsequent Amendments established the eligibility of the project area prior to this Amendment 5. This eligibility study concerns only the 13 additional parcels (subsequently referred to as the "Near South TIF additional parcels") being added to the Near South TIF. The Near South TIF additional parcels include both an "Improved Area" and a "Vacant Area." The designation of those areas that are defined as Improved and those defined as Vacant are shown on Map 5. The purpose of this section is to describe the conditions that exist to qualify the Near South TIF additional parcels for designation as TIF eligible. The Improved Area of the Near South TIF additional parcels qualify as a "Conservation Area" and the Vacant Area of the Near South TIF additional parcels qualify as "vacant blighted" as defined in the Act.

Teska has determined that the Near South TIF additional parcels qualify for designation as a "TIF eligible" area based on the combination of the following two (2) factors:

1. Improved Area: Qualifies as a "Conservation Area" by the predominance and extent of parcels exhibiting the following four (4) characteristics:

- a. *Deterioration;*
- b. *Obsolescence;*
- c. *Excessive Land Coverage; and*
- d. *Lack of Community Planning.*

2. Vacant Area: Qualifies as a "Vacant Blighted Area" by the presence of currently vacant land that exhibits "vacant blight" by the presence of the following two (2) characteristics:

- a. *Obsolete Platting; and*
- b. *Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land.*

Improved Area

The Improved Area of the Near South TIF additional parcels qualifies under Section 5/11-74.4-3(a) as a "Conservation Area":

"...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration, illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light, or sanitary facilities;

inadequate utilities; excessive land coverage; deleterious land use or

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layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Based on the observed style and construction methods of the buildings within the Near South TIF Redevelopment Amendment 5 Project Area, as well as historic records provided by the City, two (2) of the three (3) buildings in the Improved Area of the additional parcels have been identified as more than 35 years old. This exceeds the statutory requirement that at least 50% of the buildings in a Conservation Area must be 35 years of age or older. The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of the structure and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature, and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Having met the threshold criteria as a "Conservation Area", the Improved Area of the additional parcels must exhibit three (3) or more eligibility factors that are present in and reasonably distributed throughout the Improved Area and to such a degree that they are detrimental to the public safety, health, morals, or welfare and may lead to blighting of the improved parcels. Based upon field survey, data from the City, and inspections and analysis of the area, the Improved Area of the additional parcels meets four (4) of the necessary factors to qualify as a "Conservation Area" as defined by the Act.

Improved Area Factors

1. Deterioration (building and site)

With respect to buildings, the Act defines deterioration as "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 site, that the condition of roadways, alleys, curbs, butters, 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 though paved surfaces."

Through field observations, deterioration was observed as a factor present to a major extent throughout the additional parcels. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, and sidewalks. The Jones College Prep building and associated site areas are characterized by deterioration. As a result, deterioration contributes towards the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area".

2. Dilapidation

Per the Act, dilapidation is "an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a

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combination that a documented building conditions analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed." At a minimum, dilapidated buildings are those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or (ii) the defects are so serious and extensive that the buildings must be removed.

While dilapidation may be present, it is not to a major extent in the Improved Area of the Near South TIF additional parcels and thus does not contribute towards TIF eligibility.

3. Obsolescence

Structures are typically built for certain uses or purposes with design, location, height and space arrangement each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies that limit the reuse and marketability of such buildings for their original intended purpose. These characteristics may include an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, inability to accommodate contemporary amenities or facilities, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

The oldest Jones College Prep building was originally built as a stenographer school, which points to its obsolescence.

The building is characterized by an out-dated design and an inability to accommodate contemporary high school learning. As such, obsolescence of the Jones College Prep buildings is present to a major extent throughout the Improved Area of the Near South TIF additional parcels and contributes to eligibility.

4. Existence of Structures Below Minimum Code

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal

purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Correspondence with City staff determined that there might be some structures that are in violation of minimum code standards of the City; however, the presence of structures below minimum code standards is not a contributing factor in the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

5. Illegal Use of Structure

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Per the Act, a structure that is "in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards" is classified under the category of illegal use of individual structures. Examples of illegal uses may include, but not be limited to the following:

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

Correspondence with City staff determined no structures are being used illegally and thus this factor does not contribute to the "Conservation Area" designation of the Improved Area of the Near South TIF additional parcels.

6. Excessive Vacancies

Per the Act, excessive vacancy is defined as "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." This criterion includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

All buildings are occupied within the Improved Area of the Near South TIF additional parcels, and thus excessive vacancy is not a contributing factor.

7. Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light, or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code. Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants (residents, employees, visitors, etc.). Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in space/rooms without windows (e.g., bathrooms) and dust, odors, or smoke producing activity areas.

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- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios.
- Adequate sanitary facilities, which includes garbage/storage enclosure, bathroom facilities, hot water, and kitchens.
- Adequate ingress and egress to and from all rooms and units.

Correspondence with City staff determined that while some structures within the Improved Area may exhibit some characteristics, this factor is not present to a major extent and thus does not contribute to the Improved Area of the Near South TIF additional parcels being designated as a "Conservation Area."

8. Inadequate Utilities

This factor relates to all 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.

The parcels in the Improved Area of the Near South TIF additional parcels are adequately serviced by electrical and communications (telephone, cellular phone, cable, etc) providers, sewer, water, and other basic utilities. While the age of this infrastructure in some portions of the improved area may soon necessitate their replacement, the area is adequately serviced.

Given the above stated conditions, existing utilities are adequate and therefore are not a contributing factor to the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

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

This factor relates to 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 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 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 close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

Excessive land coverage and the overcrowding of structures and community facilities were observed within the Project Area. Jones College Prep was built for a different

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function and not intended for the number of students that it currently serves. The building occupies a significant portion of the site envelope, which leaves little open space for students to congregate or use for outdoor extracurricular activities.

The building is situated on parcels of inadequate size in relation to modern school facilities. Furthermore, due to excessive land coverage, there is a major hindrance to building off-street parking, loading and service.

Based on these observations of the existing conditions of the site, excessive land coverage and the overcrowding of structures and community facilities is a contributing factor toward the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

10. Deleterious Land-Use or Layout

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

Incompatible land-use relationships typically occur when the function of one land use negatively impacts the adjacent land uses. Characteristics such as hours of operation, vehicular traffic, noise, security lighting, truck delivery traffic, and utilizing the public right-of-way as part of a loading zone or parking lot can negatively impact the quality of life for adjacent land uses if there are not adequate buffers and site design considerations. Within the improved area there are a small number of instances where incompatible land uses might impact surrounding properties. However, these instances exist in limited locations, and thus this factor does not significantly impact the improved area.

While deleterious land-use and layout does exist, the observed limited number of instances within the Improved Area is limited and thus is not a contributing factor in the designation of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

11. Environmental Clean-Up

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, or any study conducted by a recognized independent expert consultant has resulted in the need to incur remediation costs for a site that have resulted in impeding further site redevelopment. Such remediation costs may be related to the need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks as required by State or Federal law

No documentation currently exists which indicates that environmental remediation would result in impeding redevelopment. Without further documentation of necessary environmental remediation this factor does not contribute to the status of the Improved Area of the Near South TIF additional parcels as a "Conservation Area."

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12. Lack of Community Planning

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

Lack of community planning is present to a major extent throughout the improved area of the Near South TIF Redevelopment Amendment 5 Project Area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the development of the Improved Area with limited open space or adequate off-street parking and loading facilities. Based on these observations of the existing conditions of the site and surrounding area, a lack of community planning is a contributing factor toward the designation of the Improved Area of the Near South Near South

TIF additional parcels as a "Conservation Area."

13. Decline in Equalized Assessed Value

This factor can be cited if, according to the Act, "the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (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 three (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 three (3) of the last five (5) calendar years for which information is available."

The Improved Area consists entirely of Jones College Prep buildings and associated uses, all of which are property tax exempt. As a result of their tax exemption, there cannot be a decline in the equalized assessed value and thus, this is not a factor that contributes to eligibility.

Map 2 provides a summary of blight factors. In addition, Map 6 provides a summary of TIF eligible criteria of the Improved Area of the Near South TIF additional parcels.

Vacant Area

The Vacant Area qualifies under Section 5/11-74.4-3 of the Act as "vacant":

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"vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation."

Due to observed conditions, review of historical aerial photographs, and consultation with the City, the vacant area as shown on figure 2 (improved/Vacant parcel map) qualifies as "vacant" as defined by Section 5/11-74.4-3 of the Act.

Since "vacancy" has been determined, the Vacant Area will qualify under Section 5/11-74.4-3 as "blighted" 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 a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains: obsolete platting of vacant land; diversity of ownership of parcels in number to retard or impede the ability to assemble the land for development; tax and special assessment delinquencies; 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; The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior..."

Blighting Factors in the Vacant Area

1. Obsolete Platting

Obsolete platting of vacant land can be cited as a contributing factor if the platting of the vacant parcels results in parcels of limited or narrow size or configurations 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. In addition, obsolete platting can be cited if such platting has 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.

Obsolete platting was observed to a major extent throughout the Vacant Area of the Near South TIF additional parcels. The seven (7) vacant parcels are of an irregular and inadequate width, depth, and area to allow for redevelopment in a planned manner or manner compatible with contemporary standards and requirements. In order to develop the site in compatibility with surrounding land uses, significant lot consolidation will be required in order to create a site of adequate area. As a result of inadequate plat width, depth, and area, obsolete platting further contributes towards the designation of the Vacant Area of the Near South TIF additional parcels as "blighted".

2. Diversity of Ownership

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This factor can be cited if the diversity of ownership of the vacant parcels is sufficient in number to retard or impede the ability to assemble the land for development.

All parcels in the Vacant Area of the Near South TIF additional parcels are owned by the public agencies (e.g., Public Building Commission), thus diversity of ownership is not a contributing factor in the designation of the Vacant Area as "blighted".

3. Tax and Special Assessment Delinquencies

This factor can be cited if it can be shown that 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.

The vacant parcels are all property tax exempt. As a result of their tax exemption, there is no documented tax or special

assessment delinquencies and thus, this is not a factor that contributes to eligibility.

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

This may be a significant factor if deterioration of structures or site improvements is observed in neighboring areas adjacent to the vacant land. With respect to buildings, the Act defines deterioration as "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 site, 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."

Through field observations, deterioration was observed as a factor present to a major extent throughout those areas that were adjacent and neighboring to the vacant parcels. The conditions of neighboring properties include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, and sidewalks. Deterioration was noted at the neighboring Jones College Prep buildings, as well as neighboring buildings and sites to the south and west. As a result of deterioration in neighboring properties, deterioration contributes towards the designation of the Vacant Area of the Near South TIF additional parcels as "blighted".

5. EPA Remediation

This factor can be cited 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, Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

No documentation currently exists which indicates that environmental remediation would result in impeding the site's redevelopment. Without further documentation of necessary environmental remediation this factor does not contribute to the status of the Vacant Area of the Near South TIF additional parcels as "blighted."

6. Declining EAV

This factor can be cited if, according to the Act, "the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (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 three (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 three (3) of the last five (5) calendar years for which information is available."

The vacant parcels are entirely tax-exempt property. As a result of their tax exemption, there cannot be a decline in the equalized assessed value and thus, this is not a factor that contributes to eligibility.

Map 7 provides a summary of TIF eligible criteria of the Vacant Area of the Near South TIF additional parcels.

Conclusion

Based on the results of the field investigation by Teska Associates and information provided by the City, it is the finding of Teska Associates that the Improved Area of the Near South TIF additional parcels qualifies as a "Conservation Area" and the Vacant Area of the Near South TIF additional parcels qualifies as a "Vacant Blighted Area."

As depicted in Map 6, the Improved Area meets the criteria as a "Conservation Area" based on the predominance and extent of parcels and structures exhibiting the following characteristics:

1. Deterioration of Buildings and Site Improvements;
2. Obsolescence;
3. Excessive Land Coverage and Overcrowding; and
4. Lack of Community Planning.

As depicted in Map 7, the Vacant Area meets the criteria to be eligible as a "Vacant Blighted Area" based on the predominance and extent of parcels and structures exhibiting the following characteristics:

1. Obsolete Platting; and
2. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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Vacant Land.

Each of these factors is present to a significant degree and distributed throughout the improved and vacant parcels respectively. Further, these factors act in combination with one another, reinforcing the negative effects of the other factors. Therefore, the combination of the factors throughout the additional parcels has significant impact. These factors

contribute significantly towards the decline of the Near South TIF additional parcels as a whole and, when combined, constitute an eligible project area. When these Near South TIF additional parcels are combined with the previously established Near South TIF Redevelopment Project Area the entire Near South TIF Redevelopment Project and Plan Area is "TIF eligible."

All of these characteristics point to the need for this designation to be followed by public intervention in order that redevelopment might occur.

5. NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

This section presents the overall program to be undertaken by the City of Chicago, other taxing bodies, and by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Near South TIF Redevelopment Amendment 5 Project Area, and an estimate of anticipated equalized assessed valuation. Those activities provided for in this TIF Redevelopment Project and Plan Amendment 5 are intended to complement the previously adopted Near South TIF Redevelopment Project and Plan and those activities provided for in that plan.

The primary activity provided for in the TIF Redevelopment Project and Plan Amendment 5 is to provide for necessary public infrastructure and facilities in support of the established Goals and Objectives of the Plan, including infrastructure supporting public schools, as well as public infrastructure and transportation improvements within and adjacent to the Redevelopment Project Area. The significant residential and commercial growth generated by the success of the original Near South TIF Redevelopment Project and Plan have placed strain upon these infrastructure elements and facilities, which create the need for improvements. The TIF Redevelopment Project and Plan Amendment 5 also provides for economic development opportunities within and adjacent to the Redevelopment Project Area. In addition, there may be other TIF eligible activities that the City and other partners may undertake. In general, the TIF Redevelopment Project and Plan Amendment 5 provides for the creation of an environment within the Redevelopment Project Area that will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area. In the event the City determines that implementation of certain activities or improvements is not feasible, the City may alter the scope of the overall program and plan.

Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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A. Redevelopment Objectives

The established objectives of the Near South TIF Redevelopment Project and Plan include:

- Reduce or eliminate those conditions which qualify the Near South TIF Redevelopment Amendment 5 Project Area as a blighted area;
- Strengthen the economic well-being of the Near South TIF Redevelopment Amendment 5 Project Area and the City by increasing community facilities, taxable values, and job opportunities;
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation;
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses;
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design;
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities;
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts;
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Near South TIF Redevelopment Amendment 5 Project Area; and
- Implement and achieve the Near South TIF Redevelopment Amendment 5 Project Area Goals.

In addition to furthering these established objectives, the following objective is added:

- Improve community facilities and amenities, which respond to additional development resulting from the significant residential and commercial development generated by the TIF.

B. Redevelopment Project and Plan Amendment 5 Activities

The City proposes to achieve its redevelopment goals, policies and objectives for the TIF Redevelopment Project and Plan Amendment 5 through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

1. Provision of Public Improvements

Adequate public improvements and facilities will be provided to service the entire Near South TIF Redevelopment Amendment 5 Project Area. Public improvements and facilities may include, but are not limited to the following:

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a. Redevelopment of Jones College Prep

As noted, Jones College Prep was originally built as a stenographer college, which points to its obsolescence. The building is characterized by an out-dated design and an inability to accommodate contemporary high school learning. The purpose of the Jones College Prep redevelopment is to eliminate such obsolescence and provide for a modern high school facility. In addition, the redevelopment will address such issues as lack of open space, deterioration of building and site, and the hindrance to building off-street parking, loading and service.

Any redevelopment of the Jones College Prep will, to the greatest extent possible, will be timed to coincide with other Redevelopment Project Area redevelopment activities so that the adverse effects of such activities may be minimized.

b. Roadways and Related Improvements

Roadway projects from repair and resurfacing might be undertaken. Public sewers, water lines, City electrical services for lighting and signals, public transit, and any other necessary public utilities might be upgraded or installed in each improved roadway segment as needed.

c. Parks, Open Space, and Amenities

Improvements to parks, open spaces, and related amenities may be pursued as needed. This is particularly important as the residential components of the Redevelopment Project Area and recreational elements along the nearby lakefront continue to evolve.

2. Job Training and Related Educational Programs, Including Day Care Provision

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Near South TIF Redevelopment Amendment 5 Project Area will be implemented.

3. Adopted Near South Redevelopment Projects

The City will continue to complete those activities listed in the previously adopted Near South Redevelopment Project and Plan (including Amendments 1, 2, 3, and 4).

4. Analysis, Administration, Studies, Surveys, Legal, et al.

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

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5. Redevelopment Agreements

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

6. Other TIF Eligibility Activities

There may be other unlisted TIF eligible activities that the City and other partners may undertake. Those TIF eligible activities not specifically listed in the Redevelopment Plan will be considered in order to meet the objectives of this plan and advance additional private investment in the Area.

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C. General Land-Use Plan

Nothing as part of the TIF Redevelopment Project and Plan Amendment 5 should amend or alter the previously adopted general land use plan for the Near South TIF Redevelopment Area Project and Plan.

Map 3 illustrates the Land Use Plan. In addition, Map 4 illustrates a Sub Area Land Use Plan.

D. Estimated Redevelopment Project Costs

The TIF Redevelopment Project and Plan Amendment 5 will add estimated eligible redevelopment project costs of \$195 million to the previously adopted Near South TIF Redevelopment Project and Plan budget. Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this TIF Redevelopment Project and Plan Amendment 5 pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional services costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

4. Costs of the construction of public works or improvements;
 5. Costs of job training and retraining projects;
 6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
 7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
 8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law;
 9. Payment in lieu of taxes as defined in the Act;
- Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number 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 Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;

11. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- b. Such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- d. The total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act.

A range of activities and improvements will be required to implement the TIF Redevelopment Project and Plan Amendment 5. The necessary improvements and their costs are shown in Table 1, Estimated Redevelopment Project Costs. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such redevelopment project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of the TIF Redevelopment Project and Plan Amendment 5. Additional funding in the form of State and Federal grants, and private development contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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Table 1

ESTIMATED REDEVELOPMENT PROJECT COSTS OF THE NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

Expense Categories

Costs of studies, surveys, development of plans, and specifications, implementation and administration including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services.

Near South TIF Total Project Costs

\$ 20,000,000

Property assembly and acquisition.	\$ 20,000,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements.	\$ 100,000,000
Costs of the construction of public works or improvements.	\$ 240,000,000
Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area.	\$ 10,000,000
Financing costs related to the issuance of obligations.	\$ 20,000,000
All or a portion of a taxing district's capital costs resulting from the redevelopment project.	\$ 20,000,000
Relocation costs.	\$ 20,000,000
Payment in lieu of taxes as defined in the Act.	\$ 20,000,000
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.	\$ 10,000,000
Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project.	\$ 20,000,000
Total Estimated Project Costs	\$ 500,000,000

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E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Near South Redevelopment Project Area (including Amendments 1, 2, 3, and 4) over and above the initial EAV of each such property in the Near South Redevelopment Project Area (including Amendments 1, 2, 3, and 4). Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

F. Issuance of Obligations

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74, 4-7 of the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired no later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be levied in the twenty-fourth (24th) calendar year after the year in which the ordinance approving the Central Station Redevelopment Project Area and the Central Station Redevelopment Project and Plan was adopted, such ultimate retirement date occurring on December 31, 2014. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more time in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

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G. Most Recent Equalized Assessed Valuation of Properties for the Near South TIF Redevelopment Amendment 5 Project Area

The 13 additional parcels of the Near South TIF Redevelopment Amendment 5 Project Area include the Jones College Prep and other associated uses, all of which are property tax exempt. As a result of their tax exemption, the Equalized Assessed Value of the Near South TIF Redevelopment Amendment 5 Project Area is \$0.

H. Anticipated Equalized Assessed Valuation

The 2009 tax equalized assessed valuation of the Near South Redevelopment Project Area, which includes Amendments 1, 2, 3, and 4, was \$1,472,854,091. It is anticipated that by the end of 2014, the tax equalized assessed valuation of the Near South Redevelopment Project Area, including the addition of the Near South TIF Redevelopment Amendment 5 Project Area, will be approximately \$1,657,710,000.

I. Housing Impact

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

The Near South TIF additional parcels do not contain any residential units. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. However, the City does certify that redevelopment activities taken as a result of implementing this Plan will not result in the displacement of residents from 10 or more inhabited residential units. A housing study was not required and therefore not performed.

6. CONFORMITY OF THE NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5 TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE

The TIF Redevelopment Project and Plan Amendment 5 conforms to the comprehensive plan for development of the City of Chicago as a whole. Further, the TIF Redevelopment Project and Plan Amendment 5 are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following:

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station; Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended;

2. The Comprehensive Plan of Chicago of 1966;

3. The Guidelines for Development; I.C. Air Rights --11th Place to 31st Street of 1972;

Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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4. The Lakefront Plan of Chicago of 1973;

5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;

6. Chicago 21: a Plan for the Central Area Committees of 1973;

7. Chicago Central Area Plan of 1983;

8. The Near South Development Plan of 1986;

9. The Central Station Guidelines;

10. The Central Station Plan of Development;

11. The Near South Community Plan of 2003

12. The Central Area Plan of 2003

7. PHASING AND SCHEDULING OF NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment project costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers and the Board of Education.

8. PROVISIONS FOR AMENDING THE NEAR SOUTH TIF REDEVELOPMENT PROJECT AND PLAN AMENDMENT 5

This Near South TIF Redevelopment Project and Plan Amendment 5 may be amended pursuant to the provisions of the Act.

9. AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the TIF Redevelopment Project and Plan Amendment 5:

A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or

ancestry.

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

In order to implement these principles for this TIF Redevelopment Project and Plan Amendment 5, the City shall require and promote equal employment practices and affirmative action on the

Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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part of itself and its contractors and vendors. In particular, parties contracting for work on the project shall be required to agree to the principles set forth in this section.

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

As described in Section 4 of this TIF Redevelopment Project and Plan Amendment 5 report, the Near South TIF Redevelopment Amendment 5 Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. The redevelopment project area on the whole has not been subject to growth and development. The lack of investment is evidenced by the continued existence of blight and the limited number of new development projects undertaken on a planned development basis.

The Near South TIF Redevelopment Amendment 5 Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Near South TIF Redevelopment Project and Plan Amendment 5, and the adoption of tax increment financing.

11. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this TIF Redevelopment Project and Plan Amendment 5, and tax increment financing, the Near South TIF Redevelopment Amendment 5 Project Area is not reasonably expected to be redeveloped. There is a real prospect that the documented blighted conditions will continue to exist and spread, and the Near South TIF Redevelopment Amendment 5 Project Area on the whole will become less attractive for the maintenance and improvement of existing buildings and sites. The existing conditions at Jones College Prep might limit residential growth and erode the assessed value of property. Such erosion of assessed value would be made worse by the lack of a concerted effort by the City to stimulate revitalization and redevelopment. Furthering of blighting conditions, coupled with a lack of effort by the City could lead to a reduction of real estate tax revenue to all taxing districts.

Section 5 of this TIF Redevelopment Project and Plan Amendment 5 describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged consistent with the available financial resources required to complete the various redevelopment projects and activities set forth in this Plan. If the aforementioned projects are successful, it is anticipated that the redevelopment will be instrumental in alleviating blighted conditions and restoring the area to a long-term sound condition.

The inclusion of the Near South TIF Redevelopment Amendment 5 Project Area with the adopted Near South Amendment 5 Redevelopment Area will result in real estate tax revenues that increase the EAV over and above the certified initial EAV established at the time of the Near South Redevelopment Project and Plan. Such increase in EAV will be used to pay redevelopment project costs in the area.

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12. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within Near South TIF Redevelopment Amendment 5 Project Area:

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

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

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

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

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

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

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

affairs of the Board of Education.

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

In addition to the major taxing districts summarized above, the area is part of the following special taxing districts, which have taxing jurisdiction over the Redevelopment Project Area: the Chicago Library Fund; the City of Chicago School and Building Improvement Fund; and The Chicago Park District Aquarium and Museum Bonds.

Because the Near South TIF Redevelopment Project and Plan Amendment 5 does not call for the addition of new residential units, the demand for services or capital improvements to be provided by the Community College District 508, Chicago Park District, and City are negated.

Near South TIF Redevelopment Project and Plan Amendment 5 December 2010

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The proposed redevelopment will either reduce or have limited impact upon the demand for services or capital improvements on any of the taxing districts named above.

Due to the success of the Near South TIF, residential development within the Near South TIF boundary and adjacent areas has greatly increased. As such, demand and service needs on existing school facilities have been increased. Specifically, the redevelopment of the Jones College Prep facility should lessen demands upon the Board of Education by replacing an obsolete outdated facility with a modern one. In addition, the redevelopment of an older, outdated facility should lessen the associated demand for treatment of sanitary and storm sewage. Thus the sanitary and storm sewage associated with the new redevelopment can be adequately handled by existing treatment facilities maintained and operated by the Water Reclamation District.

13. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described more fully in the previous section the scope of the financial impact on taxing districts should not have a significant financial impact on taxing districts and increase in the demand for services on the associated taxing districts. In addition, as described more fully under Redevelopment Project and Plan Activities-Provision of Public Improvements in Section 5 of this Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan. Specifically in relation to the Board of Education, the Near South TIF Redevelopment Project and Plan Amendment 5 calls for the redevelopment of the Jones College Prep, which should be beneficial upon the impact and demand for school services.

DEVELOPMENT PROGRAM MAP

The Development Program map, which was part of the Near South Tax Increment Financing Redevelopment Project and Plan Amendment No. 2 document ("Figure 3" in the 1994 Amendment), is hereby removed.

Near South Amendment 5 TIF Redevelopment Project and Plan Amendment December 2010

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GIS data provided by the City of Chicago; map prepared by Teska Associates, Inc.

LEGEND

77,

TIF District Boundary Additional Parcels Blight Factors

Age

Dilapidation

Obsolescence

Deterioration

Structures Below Minimum Code Excessive Vacancies Excessive Land Coverage Deletrious Land Use or Layout Depreciation of Physical Maintenance

Lack of Community Planning

Reproduction of original map from December 1998 report

INSET: Redevelopment Project Area Amendment 5

MAP 2

Summary of Blight Factors

Near South TIF Amendment | City of Chicago, Illinois

0 - 250 500 1,000 Feet



Last Revised: November 30, 2010

GIS data provided by the City of Chicago; map prepared by Teska Associates, Inc.

LEGEND
J TIF District Boundary
Open Space & Parks
Mixed Use
Commercial, Residential, Retail, Institutional, Exhibition, Parking & Related Uses*
**As defined in original Land Use Map from December 1998 report*

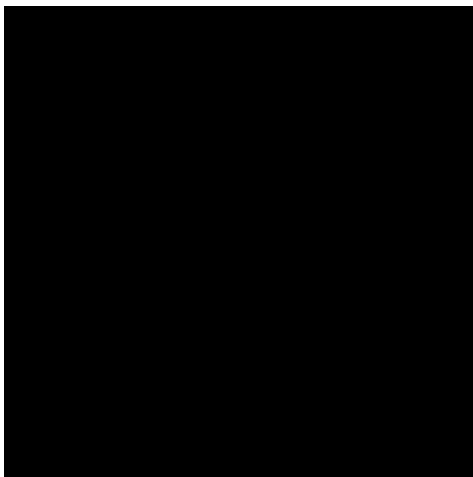
MAP 3

Land Use Plan I Entire TIF District

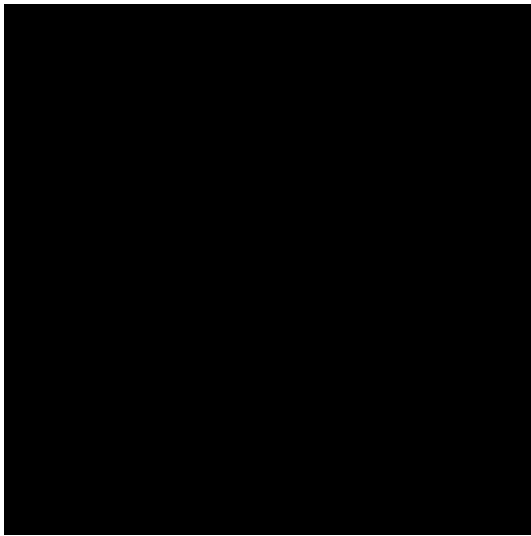
Near South TIF Amendment | City of Chicago, Illinois
0 250 500 1,000 Feet



Last Revised: November 30, 2010
GIS data provided by the City of Chicago; map prepared by Teska Associates, Inc.
LEGEND



r-





j TIF District Boundary
Sub Area
Office/Service Hotel/Institutional Residential Retail Residential
Residential/Institutional Commercial Service Art & Historic District Hotel/Restaurant/Service 10 Institutional/Mixed Use
**As defined in original Land Use Map from December 1998 report*
MAP 4

Sub Area Land Use Plan

Near.South TIF Amendment | City of Chicago, IL
0 250 500 1,000 Feet



Last Revised: November 30, 2010
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Near South TIF Amendment | City of Chicago, Illinois.



Last Revised: November 30, 2010

TIF Eligible Criteria of Improved Parcels | Additional

Near South TIF Amendment | City of Chicago, Illinois

Parcels (Amendment 5)

Last Revised: November 30, 2010

LEGEND

1

J _____ | TIF District Boundary

Improved Parcels of Additional Parcels

Vacant Parcels of Additional Parcels These 7 parcels exhibit the conditions of obsolete platting and deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

MAP 7

0 25 50 100

1 Additional Parcels (Amendment 5)

GIS data Provided by the City of Chicago; map prepared by Teska Associates, Inc

Feet

Last Revised: November 30, 2010