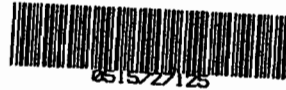


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Eugene "Gene" Moore Fee: \$178.00  
Cook County Recorder of Deeds  
Date: 08/06/2005 03:20 PM Pg: 1 of 77

This agreement was prepared by and after recording return to:  
Crystal S. Maher, Esq  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

**ROOSEVELT SQUARE/ABLA PROJECT  
REDEVELOPMENT AGREEMENT**

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This Roosevelt Square/ABLA Redevelopment Agreement (the "**Agreement**") is made as of this 3rd day of June, 2005, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), RS Homes I LLC, an Illinois limited liability company ("**RS Homes**"), RS Pointe LLC, an Illinois limited liability company ("**RS Pointe**") and RS Square LLC, an Illinois limited liability company ("**RS Square**") (RS Homes, RS Pointe and RS Square are collectively defined herein, jointly and severally, as the "**Developer**").

**RECITALS:**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Section VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals.

**B. Statutory Authority:** The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time-to-time (the "**Act**"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects.

**C. City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 4, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Roosevelt/Racine Redevelopment Project Area"; (2) "An Ordinance

Box 334

8002774

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## ROOSEVELT SQUARE/ABLA PROJECT REDEVELOPMENT AGREEMENT

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### RECITALS:

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**C. City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 4, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Roosevelt/Racine Redevelopment Project Area"; (2) "An Ordinance

of the City of Chicago, Illinois Designating the Roosevelt/Racine Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Roosevelt/Racine Redevelopment Project Area" (the "**TIF Adoption Ordinances**"). On December 8, 2004 the City Council adopted "An Ordinance of the City of Chicago, Illinois Approving Amendment Number 1 to the Roosevelt /Racine Tax Increment Financing Redevelopment Project and Plan" (the "Amending Ordinance"). Collectively, the TIF Adoption Ordinances and the Amending Ordinance are defined as the "**TIF Ordinances**". The Redevelopment Area (as defined below) is legally described on Exhibit A.

**D. The Project:** LR ABLA LLC, a Delaware limited liability company, an Affiliate of the Developer previously entered into a Redevelopment Agreement dated August 1, 2003 (the "**CHA Redevelopment Agreement**") with the CHA and The Habitat Company for the construction by Developer of 2,441 housing units, including replacement public housing, on sites located within the Roosevelt/Racine Redevelopment Project Area (the "**Roosevelt/Racine Redevelopment Area**"). The project contemplated by this Redevelopment Agreement is for the construction of 233 of those units on a site in the Roosevelt/Racine Redevelopment Area that is generally bounded by Arthington Street on the north, Blue Island Avenue on the east, 13<sup>th</sup> Street on the south and Lytle Street on the west, in Chicago, Illinois (the "**Property**"). Developer owns legal title to a portion of the Property and a leasehold interest in the rest of the Property. The leasehold interest is granted pursuant to the Ground Lease made as of the Closing Date by the CHA and recorded against the Property. The Property is approximately 13 acres, and is located wholly within the Roosevelt/Racine Redevelopment Area. A legal description of the Property is stated in Exhibit B-1, except that the Building having a common address of 1270 Blue Island shall be deemed to be a part of the Project only from and after the time, if ever, that there is a Ground Lease covering Lot 59 in Parcel 2 of Parcel A. The City shall have no obligation to disburse any City Funds for costs that are directly allocable to such Lot 59 or the Building to be constructed on such lot until such time as this Agreement is recorded against Lot 59. The Property is currently undeveloped and subject to the zoning requirements stated in Residential-Business Planned District No. 896 (including any approved amendment thereof, the "**PD**"). Developer plans to construct 69 new buildings, which will be a mix of 3-flats, 6-flats, courtyard buildings and townhomes (the "**Buildings**"). The Buildings will collectively comprise: 233 residential units consisting of 47 Affordable For Sale Units, 27 Moderate Rate For Sale Units and 159 Market Rate For Sale Units; 292 parking spaces; and approximately 3,000 square feet of retail space. The new construction work is collectively defined as the "**Project**". A site plan for the Project dated November 20, 2003 (the "**Site Plan**") is Exhibit B-2. The completion of the Project would not reasonably be anticipated to occur without the financing contemplated in this Agreement.

Upon completion of certain Buildings, the Developer shall form multiple Condominium Associations, submit portions of the Property to the Condominium Act, and record the Condominium Plats, thereby creating multiple condominium developments. As additional Buildings are completed, such Buildings and the applicable portion of the Property shall also be submitted to the Condominium Act as part of the development of the Project as additional Condominium Associations.

The Developer will from time to time convey the Market Rate For Sale Units to private purchasers at market rate prices, Affordable For Sale Units to Qualified Households and Moderate For Sale Units to Moderate Income Households, with the Affordable and Moderate For Sale Units each at an Affordable Price, as such terms are defined in Section II. Neither any individual purchasers of For Sale Units nor any lender providing Lender Financing for the Project shall have any obligation to perform the construction obligations of the Developer.

This Agreement shall be recorded against the Property and, during construction, shall encumber all Buildings and all related improvements. The mortgage liens and security interests created under the Lender Financing documents shall be subordinate to this Agreement to generally insure that the affordability requirements imposed thereby survive any foreclosure of such liens and security interests.

After the Property, or a portion thereof, has been submitted to the Condominium Property Act and separate legal descriptions for the For Sale Units have been created, then, at the time of the conveyance of units to private purchasers, the recorded Lender Financing documents shall be partially released and amended, as applicable, from time to time, so as to impose continuing mortgage liens and security interests against only the For Sale Units that have not yet been conveyed and to permit the Developer to deliver clear title to the For Sale Units being conveyed.

**E. Redevelopment Plan:** The Project will be carried out in accordance with this Agreement, the PD and the City of Chicago Roosevelt/Racine Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project dated July 1998, as amended by Amendment Number 1, dated December 2004 (the "Redevelopment Plan"), and as it may be further amended from time-to-time, attached hereto as Exhibit F.

**F. City Financing and Assistance:** Subject to the terms and conditions of this Agreement, the City will issue a Developer Note (as defined below) to Developer and a CHA Note (as defined below) to the CHA in the amounts stated in Section 4.03. The City will make payments of principal and interest on the Notes to reimburse Developer and CHA with the Available Incremental Taxes (as defined below) for the cost of TIF-Funded Improvements (as defined below). In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (as defined below) pursuant to a TIF bond ordinance (the "TIF Bond Ordinance"), at a later date as described and conditioned in Section 4.08 hereof. The proceeds of the TIF Bonds (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes, including any such payment made under the Notes provided to Developer and the CHA under this Agreement.

**G. CHA Joinder:** The CHA has entered into a joinder agreement, dated the date hereof (the "Joinder") which by its terms shall be attached to this Agreement and made a part hereof solely and exclusively for the purpose of the CHA receiving the reimbursement through the issuance of the CHA Note for various demolition expenses and environmental remediation expenses (the "CHA Expenses") it incurred, or will incur, in connection with the Project which are eligible redevelopment expenses under the Redevelopment Plan and agreeing to deliver the CHA Note as directed by the Developer. The TIF-Funded Improvements stated on Exhibit D include each line item detailing the CHA Expenses. The CHA is obligated to pay for the CHA Expenses pursuant to the CHA Redevelopment Agreement and the Joinder.

**NOW, THEREFORE,** in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**AGREEMENT:**

**SECTION 1: RECITALS**

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

**SECTION TWO: DEFINITIONS**

For purposes of this Agreement the following terms shall have the meanings stated below:

**“Act”** has the meaning defined in the recitals.

**“Actual Residents of the City”** has the meaning defined for such phrase in Section 10.02(c).

**“Affiliate”** means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, a Developer Party or any successor to a Developer Party or its respective subsidiary(ies) or parent(s).

**“Affordable For Sale Units”** shall mean 47 For Sale Units sold to Qualified Households within the ranges indicated and for an Affordable Price as set forth below:

<u># of For Sale Units</u>	<u>Approximate Unit Sq.Ft.</u>	<u>AMI of Qualified Households</u>	<u>Affordable Price*</u>
3	699	Below 80%	\$100,000
3	1,037	Below 80%	\$120,000
1	1,260	Below 80%	\$135,000
7	699-840	80%-100%	\$141,882-\$153,747
16	880-1,037	80%-100%	\$185,935-\$192,882
17	1,236-1,285	80%-100%	\$218,746-\$221,746

\*as of the Closing Date; to be adjusted with the passage of time as set forth in the definition of Affordable Price and in accordance with adjustments for inflation to AMI allowed by HUD.

**“Affordable Price”** means an amount less than or equal to the price at which Monthly Homeownership Costs for the Affordable For Sale Unit or the Moderate For Sale Unit, as applicable, would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Affordable For Sale Unit or the Moderate For Sale Unit, as applicable, whose income is the maximum amount allowable for such household to be a Qualified Household or a Moderate Income Household, as applicable.

**“Agreement”** has the meaning defined in the Agreement preamble.

**"AMF"** shall mean Chicago-area median income, adjusted for family (as defined in 24 C.F.R. Part 5.403) size, as determined from time to time by HUD.

**"Available Incremental Taxes"** means an amount equal to 90% of the Incremental Taxes (as defined below) deposited after the Closing Date in the Roosevelt/Racine Redevelopment Project Area Special Tax Allocation Fund (as defined below) attributable to the taxes levied on the Property as described in Exhibit B-1.

**"Available Project Funds"** has the meaning defined for such phrase in Section 5.16(g).

**"Bonds"** has the meaning defined in Section 8.05.

**"Business Day"** means any day other than Saturday, Sunday or a legal holiday in the State.

**"Certificate"** means the Certificate of Completion of Construction described in Section 7.01.

**"Certificate of Expenditure(s)"** means the certificates, in the forms attached to Exhibits I and J hereto, issued by the City to increase respectively the principal amount of the Notes.

**"CHA"** means the Chicago Housing Authority, a municipal corporation organized and existing under the laws of the State of Illinois.

**"CHA Note"** means the City of Chicago Tax Increment Allocation Revenue Note (Roosevelt Square/ABLA Redevelopment Project) Tax Exempt Series [200\_] B to be in the form attached hereto as Exhibit J and otherwise in accordance with the terms set forth in Section 4.03. The payment of the amounts due under the CHA Note will be secured only by Available Incremental Taxes, unless the City, in its sole discretion, elects to use other legally available funds to make payments with respect to the CHA Note.

**"CHA Proceeds"** means the CHA funds contributed to the Project pursuant to the CHA Redevelopment Agreement to fund certain demolition and environmental remediation expenses that are eligible redevelopment project costs.

**"Change Order"** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.04.

**"City"** has the meaning defined in the Agreement preamble.

**"City Contract"** has the meaning defined in Section 8.01(m).

**"City Council"** means the City Council of the City of Chicago as defined in the recitals.

**"City Funds"** means the funds described in Section 4.03(a).

**"City Group Member"** has the meaning defined in Section 8.10.

**"City Recapture Mortgage"** shall mean the Mortgage, Security Agreement and Recapture Agreement Including Restrictive Covenants to be executed by purchasers of Affordable For Sale Units or Moderate For Sale Units in favor of the City to secure the conditional repayment of the purchase price subsidy afforded such purchasers, which shall be in substantially the form of Exhibit E-1 or Exhibit E-2, respectively.

**"Closing Date"** means the date of execution and delivery of this Agreement by all parties hereto.

**"Condominium Act"** shall mean the Illinois Condominium Property Act, 765 ILCS 605/1 et seq., as amended.

**"Condominium Associations"** shall mean the Condominium Associations, Illinois not-for-profit corporations to be hereafter created in accordance with Section 18.1 of the Condominium Act, 765 ILCS 605/18.1, to operate the Condominium Developments on behalf of the owners of the condominium units.

**"Condominium Declarations"** shall mean the Declaration of Condominium for the Condominiums, including the Bylaws and Rules and Regulations attached as exhibits thereto.

**"Condominium Developments"** shall mean the condominium development to be constructed on the property leased under the Ground Lease.

**"Condominium Plats"** shall mean the plats to be prepared and recorded in accordance with Sections 5 and 6 of the Condominium Act, 765 ILCS 605/5 and 765 ILCS 605/6 with respect to the formation of the Condominium Development, setting forth the boundaries, dimensions, unit numbers and such other information as may be required under the Condominium Act, as the same may be amended from time to time in accordance with the Condominium Act and this Agreement.

**"Construction Contract"** means the construction contract between ABLA HOMES LLC and the General Contractor dated May 9, 2005, as assigned and transferred to the Developer pursuant to the Assignment of Construction Contract, dated May 9, 2005, such assignment being agreed to by the General Contractor pursuant to the Agreement and Certificate of Contractor, dated May 9, 2005.

**"Construction Program"** has the meaning defined in Section 10.03.

**"Corporation Counsel"** means the City's Office of Corporation Counsel.

**"Developer"** has the meaning defined in the Agreement preamble.

**"Developer Note"** means the City of Chicago Tax Increment Allocation Revenue Note (Roosevelt Square/ABLA Redevelopment Project) Tax Exempt Series [200\_] A to be in the form attached hereto as Exhibit I and otherwise in accordance with the terms set forth in Section 4.03(c). The payment of the amounts due under the Developer Note will be secured only by Available Incremental Taxes, unless the City, in its sole discretion, elects to use other legally

available funds to make payments with respect to the Developer Note.

**"Developer Parties"** means, collectively, Developer; **"Developer Party"** means any one of the Developer Parties.

**"DOH"** means the City's Department of Housing.

**"DPD"** has the meaning defined in the Agreement preamble.

**"Employer(s)"** has the meaning defined in Section 10.01.

**"Environmental Laws"** means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago (as defined below), including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

**"Equity"** means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project including sale proceeds of the For Sale Units, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.07 (Cost Overruns).

**"Event of Default"** has the meaning defined in Section 15.01.

**"Existing Mortgages"** has the meaning defined in Section 16.01.

**"Financial Statements"** means, for each of the Developer Parties, the financial statements of such Developer Party regularly prepared by such Developer Party, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the lender(s) providing Lender Financing pursuant to Developer's loan agreement(s), if any.

**"For Sale Units"** means collectively the Affordable For Sale Units, the Moderate For Sale Units and the Market Rate For Sale Units.

**"General Contractor"** means the general contractor(s) hired by Developer under Section 6.01.



**"Governmental Charge"** has the meaning defined in Section 8.18(a).

**"Ground Lease"** shall mean one or more ground leases dated as of the Closing Date between the CHA and the Developer, each having a term of 99 years, and as the same may be amended, terminated and extended in accordance with its terms. Upon the conversion of the Developer's leasehold interest and fee simple title interest in the Property and fee simple title interest in the Buildings and related improvements to a condominium form of ownership, undivided interests in such portions of Property shall be conveyed to purchasers of condominium units (along with fee simple title to each such purchaser's unit).

**"Hazardous Materials"** means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

**"HUD"** shall mean the U.S. Department of Housing and Urban Development.

**"Human Rights Ordinance"** has the meaning defined in Section 10.01(a).

**"In Balance"** has the meaning defined in Section 5.16(g).

**"Incremental Taxes"** means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Roosevelt/Racine Redevelopment Project Area Special Tax Allocation Fund.

**"Indemnitee"** and **"Indemnitees"** have the respective meanings defined in Section 13.01.

**"Labor Department"** has the meaning defined in Section 8.08.

**"Lender Financing"** means funds borrowed by Developer from lenders and available to pay for costs of the Project, in the amount stated in Section 4.01, if any.

**"Market Rate For Sale Units"** shall mean 159 For Sale Units that may be sold at the market rate without any income qualification or affordability requirements.

**"MBE(s)"** has the meaning defined in Section 10.03.

**"MBE/WBE Program"** has the meaning defined in Section 10.03.

**"Moderate Income Household"** means a single person, family or unrelated persons living together whose adjusted income is more than 100%, but not more than 120% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-

area median income are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937.

**“Moderate For Sale Units”** shall mean 27 For Sale Units sold to Moderate Income Households for an Affordable Price as set forth below:

<u># of For Sale Units</u>	<u>Approximate Unit Sq.Ft.</u>	<u>AMI of Qualified Households</u>	<u>Affordable Price*</u>
5	699-840	above 100% up to 120%	\$187,123-\$196,709
11	880-1,037	above 100% up to 120%	\$234,091-\$247,203
11	1,236-1,439	above 100% up to 120%	\$284,467

\*as of the Closing Date; to be adjusted with the passage of time as set forth in the definition of Affordable Price and in accordance with adjustments for inflation to AMI allowed by HUD.

**“Monthly Homeownership Costs”** shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners’ insurance in the amount of the replacement value of the Affordable For Sale Unit or the Moderate For Sale Unit, as applicable, and
- (iv) monthly condominium assessment payments or similar homeowner’s association payments, if applicable.

**“Municipal Code”** means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

**“New Mortgage”** has the meaning defined in Section 16.01.

**“NFRL”** shall mean a No Further Remediation Letter issued pursuant to the SRP.

**“Non-Governmental Charges”** means all non-governmental charges, liens, claims, or encumbrances relating to Developer Parties, the Property or the Project.

**“Note”** means, as applicable, either the Developer Note or the CHA Note, and **“Notes”** means both such notes.

**“PD”** has the meaning defined in the recitals.

**“Permitted Liens”** means those liens and encumbrances against the Property and/or the Project stated in Exhibit G.

**"Permitted Mortgage"** has the meaning defined in Section 16.01.

**"Plans and Specifications"** means final construction documents containing a site plan and working drawings and specifications for the Project.

**"Prior Expenditure(s)"** has the meaning defined in Section 4.06.

**"Procurement Program"** has the meaning defined in Section 10.03.

**"Project"** has the meaning defined in the recitals.

**"Project Budget"** means the budget stated in Exhibit C-1, showing the total cost of the Project by line item, as furnished by Developer to DPD, in accordance with Section 3.03.

**"Property"** has the meaning defined in the recitals.

**"Qualified Household"** means a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937.

**"Qualified Investor"** means a national banking association, a bank organized under the state law, any savings and loan association supervised by a federal or state authority, an insurance company whose primary and predominant business is the writing of insurance, or reinsuring risks underwritten by insurance companies subject to supervision by a state insurance commissioner (collectively, "Qualified Institutional Buyers"), a registered investment company, or a trust where certificates of participation are sold to Qualified Institutional Buyers or registered investment companies.

**"Qualified Transfer of the Note"** means the sale or assignment (other than a pledge as collateral) of either the CHA Note or the Developer Note as long as:

- (a) the City has given its prior written consent to such proposed sale or assignment which consent will not be unreasonably withheld; and
- (b) any sale or assignment is to a Qualified Investor with no view to resale or reassignment; and
- (c) any sale or assignment is subject to the terms and procedures of an acceptable investment letter in the form of Exhibit L attached hereto; except
- (d) the initial transfer of the CHA Note from the CHA to the Developer is not subject to (a), (b) or (c).

**"Redevelopment Area"** means the redevelopment project area as legally described in Exhibit A.

**"Redevelopment Plan"** has the meaning defined in the recitals.

**"Redevelopment Project Costs"** means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

**"Requisition Form"** shall mean the document, in the form attached hereto as **Exhibit K**, to be delivered by the Developer to DPD pursuant to **Section 4.03** of this Agreement.

**"Roosevelt/Racine Redevelopment Area"** has the meaning defined in the recitals.

**"Roosevelt/Racine Redevelopment Project Area Special Tax Allocation Fund"** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be deposited.

**"Scope Drawings"** means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

**"Site Plan"** has the meaning defined in the recitals.

**"SRP"** means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time.

**"State"** means the State of Illinois as defined in the recitals.

**"Survey"** means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, reasonably acceptable in form and content to DOH or DPD and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

**"Term of the Agreement"** means the period of time commencing on the Closing Date and ending on December 31, 2022, such date being the last day of the calendar year in which taxes levied in the year that is 23 years after the creation of the Redevelopment Area are paid.

**"TIF Adoption Ordinance"** has the meaning stated in the recitals.

**"TIF Bonds"** has the meaning defined for such term in the recitals.

**"TIF Bond Ordinance"** has the meaning stated in the recitals.

**"TIF Bond Proceeds"** has the meaning stated in the recitals.

**"TIF Ordinances"** has the meaning stated in the recitals.

**"TIF-Funded Improvements"** means those improvements of the Project which: (i)

qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in Exhibit D.

**"Title Company"** means Chicago Title Insurance Company.

**"Title Policy"** means a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Project related to Lender Financing, if any, issued by the Title Company.

**"WARN Act"** means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

**"WBE(s)"** has the meaning defined in Section 10.03.

### SECTION THREE: THE PROJECT

3.01 **The Project.** Developer will: (i) begin redevelopment construction no later than May 1, 2005, and (ii) complete redevelopment construction no later than November 1, 2007, subject to the provisions of Sections 3.04 (Change Orders) and 18.16 (Force Majeure).

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to the City and the City has approved them. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to the City as a Change Order requiring City approval under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer Parties will submit all necessary documents to the City's Department of Buildings, Department of Transportation, Department of Housing ("DOH") and to such other City departments or governmental authorities as may be required to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Developer has furnished to DPD, and DPD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$84,268,786. Developer hereby certifies to the City that: (a) the Lender Financing, the CHA Proceeds and/or Equity shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to DPD copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

**3.04 Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by Developer to City concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to the City for the City's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project, or (ii) a change in the basic use of the Property and improvements, (iii) an increase in the Project budget by more than 10% or a decrease in Project budget by more than 5% or (iv) a delay in the Project commencement date or Project completion date of more than 180 days, or (v) Change Orders costing more than \$500,000 each, or more than \$2,000,000 in the aggregate. The City will respond to Developer's request for written approval within 30 days from receipt of such request under subparagraphs (i), (ii), (iii) and (iv) and within 10 Business Days for requests under subparagraph (v), by granting or denying such request or by requesting additional information from Developer. If City does not respond to Developer's request, and if Developer has complied with the requirements for notice stated in Section 17.02, then Developer's request will be deemed to have been approved by City. Developer Parties will not authorize or permit the performance of any work relating to any Change Order requiring the City's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of the City's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

**3.05 DPD or DOH Approval.** Any approval granted by DPD or DOH under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by DPD or DOH under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project.

**3.06 Other Approvals.** Any DPD or DOH approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer Parties' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

**3.07 Progress Reports and Survey Updates.** (a) After the Closing Date, on or before the 15th day of each quarterly reporting period, Developer will provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay, more than 180 days, in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04). Developer must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to DPD to address and cure such shortfall. At Project completion, upon the request of DPD, Developer will provide 3 copies of an updated Survey to DPD reflecting

improvements made to the Property.

(b) After the Closing Date, on or before the 15th day of each quarterly reporting period, during construction of the Project, Developer will provide DPD on a quarterly basis with evidence of Developer's and CHA's expenditures (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as DPD may reasonably require), which will be satisfactory to DPD. Within forty-five (45) days after receipt, DPD will respond in writing by approving such expenditures as TIF-Funded Improvements, denying approval or requesting additional information from Developer. At Project completion, approved expenditures will be documented in a Certificate of Expenditure subject to the provisions of Section 5.16.

**3.08 Inspecting Agent or Architect.** The independent agent or architect (other than Developer's architect) selected by the lender providing Lender Financing will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project.

**3.09 Barricades.** Developer has installed a construction barricade of a type and appearance satisfactory to the City and which barricade was constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Project) installed after the date of this Agreement.

**3.10 Signs and Public Relations.** Developer will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and any other pertinent, non-confidential information regarding Developer Parties and the Project in the City's promotional literature and communications.

**3.11 Utility Connections.** Developer may connect all on-site water, sanitary, storm and sewer lines constructed as a part of the Project to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

**3.12 Permit Fees.** In connection with the Project, Developer is obligated to pay only those building, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

**3.13 Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner that promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People

with Disabilities (“MOPD”) to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

#### SECTION FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$84,268,786 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources when all anticipated Project financing has been completed:

Lender Financing/sales proceeds of For Sale Units	\$67,473,641
Equity (subject to 4.07)	\$ 3,460,000
CHA Proceeds	\$ 4,297,890
Lender Financing and/or Equity*	\$11,475,000
<b>ESTIMATED TOTAL</b>	<b>\$86,706,531</b>

- \* This line item describes additional Equity or Lender Financing the Developer may need to provide to fund the Project. The principal balance of the Notes in the aggregate will not exceed \$11,475,000. All payments of principal and interest on the Notes will occur after issuance of the Certificate as provided in Section 7.01, and subject to the terms and conditions of this Agreement. The Notes may be pledged as collateral to receive additional Lender Financing.

4.02 **Developer Funds.** Equity, CHA Proceeds, sales proceeds of For Sale Units and Lender Financing will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements.

#### 4.03 **City Funds.**

##### (a) **Uses of City Funds.**

(i) Any principal or interest paid under the Notes, and any other funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as “City Funds”.

(ii) City Funds may be used to reimburse Developer or CHA, as applicable, only for costs incurred by Developer or CHA, as applicable, of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such costs and their respective eligibility as a Redevelopment Project Cost. Reimbursement of costs through City Funds will be in the form of payment of principal and interest under the Notes after issuance of the Certificate.

- (b) **Sources of City Funds - Notes.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5, the City



hereby agrees to issue (i) the Developer Note for up to \$11,475,000 and (ii) the CHA Note for the lesser of \$4,200,000 or the difference between \$11,475,000 and the principal amount of the Developer Note, both Notes to be issued upon the issuance of the Certificate. The principal amount of each Note will be in an amount not greater than the costs of the TIF-Funded Improvements which have been incurred by Developer or the CHA, as applicable (and which have not previously been counted in determining the balance of the other Note) and are to be reimbursed by the City through payments of principal and interest on the Notes, as evidenced by one or more Certificates of Expenditure issued by the City in accordance with this Agreement. Any payments under the Notes are subject to the amount of Available Incremental Taxes and Incremental Taxes for the Redevelopment Area, as applicable, being sufficient for such payments. The total principal amount of City Funds will not to exceed \$11,475,000.

(c) Issuance of the Notes. Upon the issuance of the Certificate, the City will issue to Developer the Developer Note and will issue to the CHA the CHA Note with the following terms and conditions:

(i) Principal. The principal balance for the Developer Note will be equal to the cost of TIF-Funded Improvements incurred by Developer prior to the issuance date, up to a maximum amount of \$11,475,000. The principal balance for the CHA Note will be equal to the cost of TIF-Funded Improvements incurred by CHA prior to the issuance date, in an amount equal to the lesser of \$4,200,000 or the difference between \$11,475,000 and the principal amount of the Developer Note. Such balances will be determined by the Certificate(s) of Expenditure issued by the City in the form of Exhibit I for the Developer Note and Exhibit J for the CHA Note, upon Developer providing satisfactory evidence of expenditures for TIF-Funded Improvements and compliance with the applicable requirements and terms and conditions of this Agreement. After issuance of the Developer Note and the CHA Note, if the principal balance of the Notes is less than \$11,475,000, then the principal balance of the Notes will be increased when the City issues additional Certificate(s) of Expenditure up to a maximum amount of \$11,475,000.

(ii) Interest. When issued, the interest rate for the Notes will be equal to the median rate of a AAA 20 year G. O. Bond as published by Bloomberg for 15 days prior to the date of issuance plus a margin of 250 bps, but in no event will such interest rate be greater than 8.0%.

(iii) Term. The Notes will be issued on even date with the Certificate and will have a maturity date of December 31, 2022 (the date the TIF Plan expires).

(iv) Payments of Principal and Interest.

(A) Interest on the Notes will begin to accrue at the date of issuance of the Notes. Payments of principal and interest will be made annually on

February 1 based upon a Requisition Form provided to the City at least 90 days prior to such date.

- (B) On the Closing Date and prior to each February 1 (or such other date as the parties may agree to) thereafter, beginning after issuance of the Certificate and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form in the form attached hereto as Exhibit K, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD).
- (C) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on the Notes and on unpaid interest, if any. In the ordinance authorizing the issuance of the Notes, the City established an account denominated the: "Roosevelt Square/ABLA Project Account" within the Roosevelt/Racine Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the Roosevelt Square/ABLA Project Account.
- (D) Payments of principal and interest on the Notes will be made from Available Incremental Taxes deposited into the Roosevelt Square/ABLA Project Account as follows:
  - (I) First to interest due under the Notes *pari passu*; and
  - (II) Next to principal payments on the Notes *pari passu*.
- (v) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any payment on the Notes, then: (1) the City will not be in default under this Agreement or the Notes, and (2) due but unpaid payments (or portions thereof) on the Notes will be paid as provided in this Section 4.03 as promptly as funds become available for their payment. Interest per annum at the rate set when the Notes are issued will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes.
- (vi) Prepayment of the Notes by the City. The City may not prepay either Note during the 5 year period commencing on the issuance of the Certificate (the "No Call Period"). The City may prepay either Note or both Notes at any time after the No Call Period without premium or penalty.
- (vii) Pledge of the Notes. Developer may pledge the right to receive City Funds under the Notes to a lender providing Lender Financing, if any, which has

been identified to the City as of the Closing Date. City shall deliver, as directed by the Developer, the Developer Note and the CHA Note directly to a lender providing Lender Financing secured by a pledge of the Notes.

- (viii) Sale or Transfer of the Notes. After the issuance of the Notes and a Certificate, either Note or both Notes may be sold or assigned at any time in a Qualified Transfer of the Note. Thereafter, either or both Notes may again be sold in a Qualified Transfer of the Note. Upon issuance, the CHA Note shall be sold or assigned to the Developer in accordance with Section 5.04(d). City shall deliver, as directed by the Developer, the Developer Note and the CHA Note directly to a Qualified Investor upon a Qualified Transfer of the Note.
- (ix) No Cessation of Note Payments. Notwithstanding anything to the contrary contained in this Agreement, after a Qualified Transfer of the Note in compliance with Section 4.03(c)(vii) above, if an Event of Default occurs, the City will, notwithstanding such Event of Default, continue to make payments with respect to such Note provided there are Available Incremental Taxes.
- (x) Costs of Issuance of the Notes. Developer will be responsible for paying all legal and issuance costs in relation to the Notes, including all costs of bond counsel.

#### 4.04 Sale or Transfer of the Property or Project by Developer.

(a) Prior to the Date of Issuance of the Certificate. Subject to Section 4.04(c) below, Developer must obtain the prior approval of the City for any sale or transfer, which for the purposes of this Section 4.04 shall not include leases, of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19.

(b) After the Date of Issuance of the Certificate, But Prior to the Date when the Notes are Paid. Subject to Section 4.04(c) below, after the date of the Certificate, but prior to the date when the Notes are paid, Developer need not obtain prior approval for any sale or transfer of any part of the Property or the Project. Developer must, however, notify the City not less than 60 days before any closing of sale of Developer's intention to sell or transfer any part of the Property or the Project. Developer must provide the City with true and correct copies of any contract for sale and related documents as part of such notice.

(c) Sales of Assets or Equity. For purposes of this Section 4.04, the phrase: "sale or sell or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Developer's assets or equity. The foregoing restrictions of this Section 4.04 do not apply to the planned sale of (i) the For Sale Units to end-users and (ii) any retail space.

#### 4.05 [Intentionally Deleted].

**4.06 Treatment of Prior Expenditures.** Only those expenditures made by Developer or the CHA with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD, in its sole discretion, as satisfying costs covered in the Project Budget and set forth in the initial owner's sworn statement shall be considered previously contributed CHA Proceeds, Equity or Lender Financing, if any, hereunder (the "Prior Expenditure(s)"), as described in the Exhibit M attached hereto. DPD has the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure as of the date hereof. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer or the CHA, but will reduce the amount of CHA Proceeds, Equity and/or Lender Financing, if any, required to be contributed by Developer or the CHA under Section 4.01.

**4.07 Cost Overruns.** If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

**4.08 TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay the outstanding principal and accrued interest (through the date of prepayment) under the Notes and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

## SECTION FIVE: CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

**5.01 Project Budget.** The Developer will have submitted to DPD, and DPD will have approved, a Project Budget in accordance with the provisions of Section 3.03.

**5.02 Scope Drawings and Plans and Specifications.** The Developer will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02.

**5.03 Other Governmental Approvals.** The Developer will have secured or applied for all other necessary approvals and permits required by any federal, state, or local statute, ordinance, rule or regulation to begin construction of the Project and shall obtain any such required permits or approval that cannot be issued prior to closing before commencing the stage of construction that requires such permit, and will submit evidence thereof to DPD.

**5.04 Financing.**

(a) The Developer will have furnished evidence acceptable to the City that Developer has the financing, at least in the amounts stated in Section 4.01, to complete the Project and satisfy their obligations under this Agreement. If a portion of such financing consists of Lender Financing, the Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity, the CHA Proceeds and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to the City a copy of the construction escrow agreement entered into by Developer regarding Developer's Lender Financing, if any. The construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the CHA may transfer the CHA Note to the Developer at any time without further approval of the City. The Notes may be pledged on a collateral basis to any lender or lenders providing Lender Financing, if any. The City shall, at issuance and the direction of CHA and the Developer, deliver the CHA Note directly to a lender providing Lender Financing secured by a pledge of the Notes or to a Qualified Investor upon a Qualified Transfer of the Note.

**5.05 Evidence of Leasehold Interest; Acquisition and Title.** On the Closing Date, Developer will furnish the City with a copy of all documentation evidencing the Developer's leasehold interest in a portion of the Property, fee interest in a portion of the Property and the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access, and survey.

**5.06 Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer Parties, at their own expense, will have provided the City with current searches under the names of each of the entities comprising Developer Parties as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search

Cook County Recorder  
Cook County Recorder  
U.S. District Court (N.D. IL)  
Clerk of Circuit Court,  
Cook County

State tax lien search  
Memoranda of judgments search  
Pending suits and judgments  
Pending suits and judgments

showing no liens against Developer Parties, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 **Surveys.** Developer will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer, at its own expense, will have insured the Property and the Project as required under Section 12. Prior to the Closing Date, certificates required under Section 12 evidencing the required coverages will have been delivered to DPD.

5.09 **Opinions of Developer's Counsel.** On the Closing Date, Developer will furnish the City with an opinion of counsel, substantially in the form of Exhibit H, with such changes as may be required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit H, such opinions shall be obtained by Developer from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Developer will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4.06 and described in Exhibit M attached hereto.

5.11 **Financial Statements.** Developer will have provided Financial Statements to DPD for its fiscal year 2004, and their most recently available unaudited interim Financial Statements.

5.12 **Additional Documentation.** Developer will have provided documentation to DPD, satisfactory in form and substance to DPD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project, if any.

5.13 **Environmental Audit.** Developer or the CHA, at the request of the Developer, will have provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits, if necessary. If environmental issues exist on the Property, the City will require written verification from the Illinois Environmental Protection Agency that all identified environmental issues have been or will be resolved to its satisfaction.

5.14 **Entity Documents.** Each Developer Party will provide copy of its current Articles of Organization, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state or organization and all other states in which it is qualified to do business; its current Operating Agreement; a secretary's certificate in such form and substance as the

Corporation Counsel may require; and such organizational documentation as the City may request.

**5.15 Litigation.** Developer Parties will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer Parties or any material pending or threatened litigation or administrative proceedings involving an Affiliate of Developer Parties specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

**5.16 Preconditions of Certificates of Expenditure.** Prior to the execution by DPD of any Certificate of Expenditure under the Notes, Developer must submit to DPD documentation of such expenditures by the Developer or CHA (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as DPD may reasonably require), which will be satisfactory to DPD. Delivery by Developer to DPD of any request for execution of a Certificate of Expenditure hereunder will, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors for work performed on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current certificate have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current certificate and, to the reasonable belief of Developer, such work and materials conform to the Plans and Specifications;

(d) the representations and warranties of Developer contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Project except for the Permitted Liens and liens insured against by the Title Policy in connection with the Lender Financing on the Property; and

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

(g) the Project is In Balance. The Project will be deemed to be in balance (“**In Balance**”) only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. “**Available Project Funds**” as used herein means: (i) the undisbursed Lender Financing, if any; (ii) the CHA Proceeds; (iii) the undisbursed Equity; and (iv) any other amounts deposited by Developer under this Agreement. Developer agrees that, if the particular phase of the Project is not In Balance, Developer will, within 10 days after a written request by the City, deposit either with the lender providing any of the Lender Financing or with the construction escrow agent, cash in an amount that will place the particular phase of the Project In Balance, which deposit shall first be exhausted upon the request of such lender before any further

acceptance of a Certificate of Expenditure shall be made.

The City will not execute any Certificate of Expenditure for the Notes unless Developer has satisfied the City that Developer has complied, or is implementing a plan to comply, with the requirements of Sections 8.08, 10.02 and 10.03. The City will have the right, in its reasonable discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any acceptance of a Certificate of Expenditure by the City will be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct. In addition, Developer will have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements not inconsistent with this Agreement and stated in the TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, the Notes, and this Agreement.

## **SECTION SIX: AGREEMENTS WITH CONTRACTORS**

### **6.01 Bid Requirement for General Contractor and Subcontractors.**

(a) DPD acknowledges that Developer has selected Marous Brothers Construction, Inc./Urban Quest Joint Venture LLC as the General Contractor for the Project. Developer will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business in the City of Chicago.

(b) Developer must submit copies of the Construction Contract to DOH or DPD as required under Section 6.02 below. Upon the written request of the City, Developer will provide photocopies of all subcontracts entered or to be entered into in connection with the Project within five (5) Business Days of the execution thereof. The Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by the City and all requisite permits have been obtained.

**6.02 Construction Contract.** Prior to the execution thereof, Developer must deliver to DOH or DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DOH or DPD's prior written approval. Following execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to DOH and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

**6.03 Performance and Payment Bonds.** Prior to commencement of construction of any work in the public way, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better issued by CNA or equivalent rating by another agency as determined by DPD. The City will be named as obligee or co-obligee on such bond.

**6.04 Employment Opportunity.** Developer will contractually obligate and cause the



General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

**6.05 Other Provisions.** In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Section 12 (Insurance) and Section 14.01 (Books and Records).

## **SECTION SEVEN: COMPLETION OF CONSTRUCTION**

### **7.01 Certificate of Completion of Construction.**

Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, DPD will issue to Developer a certificate of completion of construction in recordable form (the "Certificate") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement.

- (a) The Certificate will not be issued until:
- (i) The Developer has notified the City in writing that the Project has been completed as defined in this Agreement; and
  - (ii) The Developer has received a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements; and
  - (iii) The Developer has complied with its obligations under the terms of the affordable housing requirements for the Project as set forth in, but not limited to, Section 8.19 of this Agreement; and
  - (iii) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.08 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project; and
  - (iv) The Developer has sold all of the Affordable For Sale Units to Qualified Households at an Affordable Price; and
  - (v) The Developer has sold 90% of the Moderate For Sale Units to Moderate

**Income Households at an Affordable Price; and**

(vi) The Developer has sold 80% of the Market Rate For Sale Units.

(b) DPD will respond to Developer's written request for the Certificate within 30 days by issuing either the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues the Certificate.

**7.02 Effect of Issuance of Certificate; Continuing Obligations.**

(a) The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.18 (Real Estate Provisions), and Section 8.19 (Affordability Requirements) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement. The other executory terms of this Agreement that remain after the issuance of the Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

**7.03 Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement (provided, however, under no circumstances shall the City suspend or cease disbursement of principal and interest payments on the Notes);

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.01, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds;

and

(c) the right to seek reimbursement of the City Funds from Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

**7.04 Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

**7.05 Release of Agreement as to Conveyed For Sale Units.** DPD shall provide Developer, at Developer's written request delivered from time to time in connection with the sale of the For Sale Units in accordance with the terms of this Agreement, with a written partial release in recordable form stating this Agreement is no longer an encumbrance against any such units so as to enable Developer to deliver good and marketable title to such units.

#### **SECTION EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER**

**8.01 General.** Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of issuance of the Certificate as follows:

(a) Developer is an Illinois limited liability company, duly organized, validly existing and in good standing;

(b) [Intentionally Deleted];

(c) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project;

(d) The execution, delivery and performance of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate Developer's Articles of Organization as amended and supplemented, its Operating Agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer or any of its assets is now or may become bound;

(e) [Intentionally Deleted];

(f) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title and/or leasehold interest in the Property (and improvements) free and clear of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget;

(g) Developer is now, and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which Developer has no further economic interest in the Project, will remain solvent and able to pay its debts as they mature;

(h) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending or, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement;

(i) Developer has or will acquire as necessary and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(j) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer or any of its assets is bound which would materially adversely effect its ability to comply with its obligations under this Agreement;

(k) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer; and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(l) prior to the issuance of the Certificate, if it would materially adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or in accordance with Section 4.04; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition; provided, however, this section shall not apply to any commercial leases entered into in the ordinary course of business, it being acknowledged that Developer shall have the right to enter into commercial leases in the ordinary course of business for all or any portion of the Property on such terms as are determined by Developer;

(m) Developer has not incurred and, prior to the issuance of the Certificate, will not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Project and shall contest such liens other than the Permitted Liens and liens insured against by the Title Policy in connection with the Lender Financing on the Property; or incur any indebtedness secured or to be secured by the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(n) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(o) Neither the Developer or an Affiliate is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subsection only, "affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

**8.02 Covenant to Redevelop.** Upon DPD's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the PD, the CHA Redevelopment Agreement, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Developer. Specifically, Developer shall:

- (a) construct the improvements constituting the For Sale Units, the parking spaces and the retail space in accordance with the recitals and Section 8.19;
- (b) fund the construction of the Project in accordance with Section 4.01;
- (c) sell the Affordable For Sale Units to Qualified Households at an Affordable Price, cause each such buyer to execute a City Recapture Mortgage, in the form attached hereto as Exhibit E-1, and cause such City Recapture Mortgage to be recorded at the time of the closing of such sale in accordance with Section 7.01;
- (d) sell the Moderate For Sale Units to Moderate Income Households at an Affordable Price, cause each such buyer to execute a City Recapture Mortgage, in the form attached hereto as Exhibit E-2, and cause such City Recapture Mortgage to be recorded at the time of the closing of such sale in accordance with Section 7.01;
- (e) use reasonable effort to sell the other For Sale Units to private purchasers at market rates in accordance with Section 7.01; and
- (f) cause its General Contractor (or, if such work is subcontracted or handled by a third party, such subcontractor or third party) to complete such work and provide such cooperation with the City and CHA as may be necessary to cover one or more NFRLs as may necessary or appropriate to cover the entire Property.

The covenants set forth in this will run with the land and will be binding upon any transferee of the Property, or a portion thereof, unless terminated in whole or in part by the City, acting through DPD, pursuant to a written instrument executed pursuant to Sections 7.02 and 7.05 and recorded against the Property, or any portion thereof.

8.03 **Redevelopment Plan.** Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer or CHA will be used by Developer or CHA solely to reimburse Developer or CHA for its payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer or the Project and provided further, however, that payment obligations relating to any such Bonds shall be subordinate to the City's obligations hereunder with respect to payments under the Notes or the proceeds of such Bonds shall be used to fully retire the Notes. Developer will cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis. Developer will submit to DPD a plan describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which Developer

will correct any shortfall.

8.07 **Employment Profile.** Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "Labor Department"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

8.09 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of Developer (other than the General Contractor) may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.10 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, (a "City Group Member") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer, the Property, the Project, or to Developer's actual knowledge, any other property in the Redevelopment Area.

8.11 **Disclosure of Interest.** Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property, or any other feature of the Project.

8.12 **Financial Statements.** Developer will obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2003, and each yearly thereafter for the Term of the Agreement. In addition, if requested by DPD, Developer will submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 **Insurance.** Solely at its own expense, Developer will comply with all provisions of Section 12 hereof during the construction period. The Developer shall comply (or cause the Condominium Association to comply) with all provisions of Section 12 until the applicable portion of the Property has been turned to the Condominium Association(s) over in accordance

with the Condominium Declaration and as required by the Condominium Act, and the Condominium Associations shall thereafter comply with such insurance provisions.

**8.14 Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer agrees to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are or may become attached thereto and which are owned by Developer, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental Charges in question.

(b) **Right to Contest.** Developer will have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.14); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charges and all interest and penalties upon the adverse determination of such contest.

(c) **Applicability After Conversion to Condominium Units.** This Section 8.14 shall not apply to Non-Governmental Charges payable by, or contestable by other owners of individual condominium units after such time as such unit owners, under the terms of their purchase contracts and/or the condominium declaration, become responsible for the payment of Non-Governmental Charges attributable to their respective units.

**8.15 Developer's Liabilities.** Developer will not enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Developer will immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.



8.16 **Compliance with Laws.** To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement. Upon the City's request, Developer will provide evidence satisfactory to the City of such current compliance.

8.17 **Recording and Filing.** Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 [Intentionally deleted].

8.19 **Affordability Requirements.**

Of the 233 For Sale Units comprising the Project, 47 units shall be Affordable For Sale Units, 27 For Sale Units shall be Moderate For Sale Units and 159 For Sale Units shall be Market Rate For Sale Units. Developer shall sell each Affordable For Sale Unit and each Moderate Income For Sale Unit to an income-qualified household for the applicable Affordable Price. In connection with the marketing of each Affordable For Sale Unit and Moderate Income For Sale Unit, Developer shall attach as an exhibit to each purchase contract a copy of the applicable City Recapture Mortgage and shall state in such purchase contract that the purchaser will be obligated to execute such junior mortgage at the time of closing and comply with its terms thereafter. At each closing of the sale of an Affordable For Sale Unit or a Moderate Income For Sale Unit, Developer shall cause such fully executed and acknowledged junior mortgage to be recorded as a junior mortgage lien against the purchaser's Affordable For Sale Unit or Moderate Income For Sale Unit.

8.20 [Intentionally deleted.]

8.21 **Broker's Fees.** Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.22 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a

**Business Relationship.** Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

**8.23 Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Section 7 upon the issuance of the Certificate) will be in effect throughout the Term of the Agreement.

## **SECTION NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY**

**9.01 General Covenants.** The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

**9.02 Survival of Covenants.** All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

## **SECTION TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS**

**10.01 Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Project (collectively, with Developer, such parties are defined herein as the "Employers," and individually defined herein as an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer must take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising;

layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, must state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et. seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of Federal, State and municipal agencies.

(e) Each Employer will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every agreement with any Affiliate operating on the Property, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

#### **10.02 City Resident Construction Worker Employment Requirement.**

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

(c) "Actual residents of the City" means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) Developer, the General Contractor and each subcontractor will provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer will maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of DPD in triplicate, which will identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

(g) At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Notwithstanding any thing to the contrary contained herein, therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs

set forth in the Project Budget undertaken by Developer (and specifically excluding any tenant improvements which are not undertaken by Developer) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project (other than contracts for remediation and demolition entered into prior to the date of this Agreement).

**10.03 Developer's MBE/WBE Commitment.** The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**," and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the aggregate construction costs (as set forth in the Project Budget) shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only:

(i) The Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(ii) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(iii) The term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-

92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

## SECTION ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has acquired environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws, this Agreement and all Exhibits, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the

Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION TWELVE: INSURANCE

12.01 **Insurance**. Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) **Prior to Execution and Delivery of this Agreement and Throughout the Period of the Developer's Ownership**

(i) **Workers' Compensation and Employers Liability Insurance**

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

(ii) **Commercial General Liability Insurance (Primary and Umbrella)**

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) **All Risk Property Insurance**

All Risk Property Insurance in the amount of the full replacement value of the buildings in the Project. The City is to be named as an additional insured.

(b) **Construction**. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, sub-contractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) **Workers Compensation and Employers Liability Insurance**

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.



(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of 2 years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Developer must cause such parties to maintain Professional Liability Insurance covering acts, errors, or omissions which shall be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work performed in connection with this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(c) After Completion of Construction.

- (i) All Risk Property Insurance, including improvements and betterments in the amount of the full replacement value of the Property. The City is to be named as an additional insured.
- (ii) Commercial General Liability insurance as described above in subparagraph (b)(ii). The City shall be named as an additional insured on a primary, non-contributory basis.

The Developer shall cause the insurance requirements in this subparagraph (c) to be incorporated in the applicable condominium declarations.

(d) Other Requirements

- (i) Developer (and, upon request, any condominium association) will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer (or any condominium association) of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer (or, if applicable, the Condominium Association).
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

### **SECTION THIRTEEN: INDEMNIFICATION**

**13.01 General Indemnity.** Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnitees**") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (ii) Developer's or any contractor's failure to pay General Contractor, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement; or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate or any of their respective agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate; or
- (iv) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (v) any act or omission by Developer or any Affiliate in connection with this Agreement.

provided, however, that Developer shall have no obligation to an Indemnitee arising from the

wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer will contribute the maximum portion that it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 will survive the termination of this Agreement.

#### **SECTION FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT**

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractor's and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

#### **SECTION FIFTEEN: DEFAULT AND REMEDIES**

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, will constitute an "Event of Default" by Developer hereunder:

- (a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of such party under this Agreement or any related agreement;
- (b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under any other agreement with any person or entity if such failure may have a material adverse effect on its business, property (including the Property or the Project), assets (including the Property or the Project), operations or condition, financial or otherwise;
- (c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;
- (d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by Developer to create, any lien or other encumbrance upon the

Property or the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and liens insured against by the Title Policy in connection with the Lender Financing on the Property, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets, or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against Developer for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, if any, which default is not cured within any applicable cure period;

(i) the dissolution of Developer (except after sale of the final For Sale Unit and the reserving of any statutorily required reserves to cover any post-dissolution liabilities); or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within 30 days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor).

For purposes of Section 15.01(j) hereof, a natural person with a material interest in Developer is one owning in excess of thirty-three percent (33%) of Developer's or Developer's ultimate parent entity's issued and outstanding ownership shares or interest.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, provided, however, that the City will not suspend payment of any principal or interest due and owing under the issued Notes. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. To the extent permitted by law, the City may also lien the Property.

### **15.03 Curative Period.**

(a) In the event Developer fails to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless the applicable party has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the Developer (or the non-defaulting Developer Party) has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, the Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## **SECTION SIXTEEN: MORTGAGING OF THE PROJECT**

**16.01 Mortgaging of the Project.** All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the “**Existing Mortgages.**” Any mortgage or deed of trust that Developer may hereafter elect to record or permit to be recorded against the Property or any portion thereof without obtaining the prior written consent of the City is referred to herein as a “**New Mortgage.**” Any mortgage or deed of trust that Developer may hereafter elect to record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a “**Permitted Mortgage.**” It is hereby acknowledged that nothing in this Section 16 shall apply to, or in any way prohibit or limit, the granting of mortgages in connection with the sale of For Sale Units to private purchasers or for mortgages executed in connection with the conversion of a portion of the Property to a condominium form of ownership. It is hereby agreed by and between the City and Developer as follows:

(a) If a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to Developer's interest in the

Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land specified in Section 7.02.

(c) Prior to the issuance by the City to Developer of a Certificate under Section 7 hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

#### SECTION SEVENTEEN: NOTICES

**17.01 Notices.** All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) delivered by hand, (ii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iii) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

If to the City:	City of Chicago Department of Planning and Development Attn: Commissioner 121 North LaSalle Street, Room 1000 Chicago, IL 60602
With Copies To:	City of Chicago Corporation Counsel Attn: Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to Developer:	LR Development 350 West Hubbard Street Chicago, IL 60610 Attn: Steve Galler



With Copies To:

Wildman, Harrold, Allen & Dixon  
225 West Wacker Street  
Chicago, IL 60606  
Attn: Judy Gold and Thomas P. Duffy

or at such other address or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished if given by hand delivery or nationally recognized overnight courier service, when left at the address of the addressee, properly addressed as provided above.

**17.02 Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by Developer will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or DPD approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;
- (d) if applicable, state the outside date for the City's or DPD's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

## SECTION EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** Except as provided in this Section 18.01, and except for changes or amendments that are otherwise expressly identified as being in the discretion of the Commissioner, this Agreement may not be materially amended without the written consent of all parties. In addition to consents and discretion expressly identified herein, the Commissioner, in her sole discretion, may amend or otherwise revise: (a) any exhibits containing legal descriptions in order to correct a surveyor's, scrivener's or clerical error in such a legal description, provided that such correction does not have a material effect on any portion of the Project; (b) Exhibit B-2 adjust unit locations and types; (c) Exhibit D to adjust allocations between line items or to add new line items permitted under the Plan; (e) Exhibit F to comply with the Act or otherwise, provided such amendments do not materially adversely affect the Developer Parties' rights under this Agreement; (f) Exhibit E-1 and E-2 to modify such mortgage for the Affordable For Sale Units and the Moderate Income For Sale Units; (i) Exhibits C-1 and C-2 in connection with updated budgets and/or the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05, and Exhibit G to correct inadvertent omissions or permit other minor title encumbrances not in the nature of a lien. Amendments required in clauses (b), (c) and (i) shall also require the Developer's consent.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

18.03 **Limitation of Liability.** No member, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor in interest to Developer in the event of any default or breach by the City or for any amount which may become due to Developer or any successor in interest, from the City or on any obligation under the terms of this Agreement.

18.04 **Further Assurances.** Developer and City each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 **Remedies Cumulative.** The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein must not be construed as a

waiver of any other remedies of such party unless specifically so provided herein.

**18.07 Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

**18.08 Titles and Headings.** The Section, section and paragraph headings contained herein are for convenience of reference only and are not intended to limit, vary, define or expand the content thereof.

**18.09 Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

**18.10 Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

**18.11 Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

**18.12 Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

**18.13 Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City will be in form and content satisfactory to the City.

**18.14 Assignment.** Developer may assign this Agreement, except prior to the issuance by the City to Developer of the Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Developer may assign the Notes upon issuance in a Qualified Transfer of the Note. Developer may pledge the Notes and the right to receive City Funds under the Notes to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any

successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

**18.15 Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

**18.16 Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

**18.17 Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

**18.18 Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

**18.19 Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

**18.20 Construction of Words.** The use of the singular form of any word herein

includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

**18.21 Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

**18.22 Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

**18.23 Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

**18.24 Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

**18.25 Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

[The remainder of this page is intentionally left blank and the signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have caused this Roosevelt Square/ABLA Project Redevelopment Agreement to be signed on or as of the day and year first above written.

**RS HOMES I LLC**, an Illinois limited liability company

By: ABLA HOMES LLC, a managing member

By: LR ABLA LLC, its manager

By: LR Development Company LLC, its  
sole member

By: Bradford J. White  
Name: Bradford J. White  
Title: Vice President

**RS POINTE LLC**, an Illinois limited liability company

By: ABLA HOMES LLC, a managing member

By: LR ABLA LLC, its manager

By: LR Development Company LLC, its  
sole member

By: Bradford J. White  
Name: Bradford J. White  
Title: Vice President

**RS SQUARE LLC**, an Illinois limited liability company

By: ABLA HOMES LLC, a managing member

By: LR ABLA LLC, its manager

By: LR Development Company LLC, its  
sole member

By: Bradford J. White  
Name: Bradford J. White  
Title: Vice President

STATE OF ILLINOIS        )  
  ) ss  
COUNTY OF COOK        )

I, Danita Jaurigue, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Bradford J. White, personally known to me to be the Vice President of LR Development Company LLC, a Delaware limited liability company, and managing member of RS Homes I LLC ("RS Homes"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by RS Homes, as his free and voluntary act and as the free and voluntary act of RS Homes, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 2 day of June, 2005.



Danita Jaurigue  
Notary Public

My Commission Expires 05/06/06

STATE OF ILLINOIS     )  
  ) ss  
COUNTY OF COOK        )

I, Danita Jaurigue, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that that Bradford J. White, personally known to me to be the Vice President of LR Development Company LLC, a Delaware limited liability company, and managing member of RS Pointe LLC ("RS Pointe"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by RS Pointe, as his free and voluntary act and as the free and voluntary act of RS Pointe, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 2 day of June, 2005

Danita Jaurigue  
Notary Public

**"OFFICIAL SEAL"**  
**DANITA L. JAURIGUE**  
Notary Public, State of Illinois  
My Commission Expires 05/06/2006

My Commission Expires 05/06/06



STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK         )

I, Danita Jaurigue a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Bradford J. White, personally known to me to be the Vice President of LR Development Company LLC, a Delaware limited liability company, and managing member of RS Square LLC ("RS Square"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by RS Square, as his free and voluntary act and as the free and voluntary act of RS Square, for the uses and purposes therein set forth.

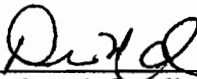

GIVEN under my hand and official seal this 2 day of June, 2005.

Danita Jaurigue  
Notary Public

**"OFFICIAL SEAL"**  
**DANITA L. JAURIGUE**  
Notary Public, State of Illinois  
My Commission Expires 05/06/2006

My Commission Expires 05/06/06

**CITY OF CHICAGO, an Illinois municipal corporation**

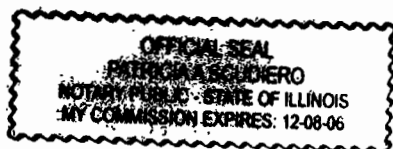
By:   
Name: Denise M. Casalino, P.E.   
Title: Commissioner,  
Department of Planning and Development

STATE OF ILLINOIS     )  
  ) ss  
COUNTY OF COOK     )

I, PATRICIA A. SUDERO, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Denise M. Casalino, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 31 day of May, 2005.

Patricia A. Sudero  
Notary Public



My Commission Expires 12-08-06

**ROOSEVELT SQUARE/ABLA PROJECT  
REDEVELOPMENT AGREEMENT**

**LIST OF EXHIBITS**

Exhibit A	Legal Description of the Redevelopment Area
Exhibit B-1	*Legal Description of the Property
Exhibit B-2	Site Plan for the Project
Exhibit C-1	*Project Budget
Exhibit C-2	*Construction (MBE/WBE) Budget
Exhibit D	*TIF-Funded Improvements
Exhibit E-1	Form of City Recapture Mortgage for Affordable For Sale Units
Exhibit E-2	Form of City Recapture Mortgage for Moderate For Sale Units
Exhibit F	Redevelopment Plan
Exhibit G	Permitted Liens
Exhibit H	Opinion of Counsel for Developer Parties
Exhibit I	Form of Developer Note and related Certificate of Expenditure
Exhibit J	Form of CHA Note and related Certificate of Expenditure
Exhibit K	Form of Requisition Form
Exhibit L	Form of Investment Letter
Exhibit M	Approved Prior Expenditures

(An asterisk (\*) indicates which exhibits are to be recorded.)

**EXHIBIT A**

**REDEVELOPMENT AREA LEGAL DESCRIPTION**

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: September 22, 1998

*Exhibit "C".*  
(To Ordinance)

Beginning at the point of intersection of the east line of South Racine Avenue with the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the east line of South Morgan Street; thence south along said east line of South Morgan Street to the centerline of West Maxwell Street; thence west along said centerline of West Maxwell Street to the west line of South Morgan Street; thence south along the west line of South Morgan Street to the northeasterly line of West 14<sup>th</sup> Place; thence northwest along said northeasterly line of West 14<sup>th</sup> Place to the southeast corner of Lot 53 in Block 1 in Swift, McAuley & Tyrell's Subdivision of the north half of the southwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, the south line of said Lot 53 being also the north line of West 14<sup>th</sup> Place; thence west along said north line of West 14<sup>th</sup> Place, a distance of 571.43 feet; thence north along a line parallel with the west line of said Block 1 in Swift, McAuley & Tyrell's Subdivision to the centerline of vacated West 14<sup>th</sup> Street; thence west along said centerline of vacated West 14<sup>th</sup> Street, a distance of 3.00 feet, to the southerly extension of the west line of Lot 70 in Block 5 in Henry Waller's Subdivision of the northwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of said Lot 70 and the northerly extension thereof and along the west line of Lot 21 in said Block 5 in Henry Waller's Subdivision, a distance of 169.95 feet; thence west along a line parallel with the north line of said Block 5 in Henry Waller's Subdivision, to a point on the west line of Lot 25 in said Block 5 in Henry Waller's Subdivision; thence north along said west line of Lot 25 in said Block 5 in Henry Waller's Subdivision and along the northerly extension thereof and along the west line of Lot 25 in Block 4 in said Henry Waller's Subdivision to the south line of West Maxwell Street; thence west along said south line of West Maxwell Street to the southeasterly line of South Blue Island Avenue; thence southwest along said southeasterly line of South Blue Island Avenue to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the easterly extension of the north line of Lots 1 through 10, inclusive, in Block 16, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson's and Greene's Addition

to Chicago, said north line of Lots 1 through 10, inclusive, being also the south line of West 15<sup>th</sup> Street; thence west along said south line of West 15<sup>th</sup> Street to the northwesterly line of South Blue Island Avenue; thence southwest along said northwesterly line of South Blue Island Avenue to the east line of South Throop Street; thence north along said east line of South Throop Street to the easterly extension of the north line of Lots 26 through 50, inclusive, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson and Greene's Addition to Chicago, said north line being also the south line of the alley south of West 15<sup>th</sup> Street; thence west along said easterly extension and the south line of the alley south of West 15<sup>th</sup> Street to the east line of South Ashland Avenue; thence north along said east line of South Ashland Avenue to the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the west line of South Loomis Street; thence north along said west line of South Loomis Street to the north line of West Grenshaw Street; thence east along said north line of West Grenshaw Street to the west line of South Throop Street; thence north along said west line of South Throop Street to the south line of West Taylor Street; thence west along said south line of West Taylor Street to the southerly extension of the east line of Lot 56 in Robert L. Martin's Subdivision of Blocks 11 and 16 in Vernor's Park Addition to Chicago; thence north along said southerly extension and the east line of Lot 56 in Robert L. Martin's Subdivision and the northerly extension thereof and the east line of Lot 52 in said Robert L. Martin's Subdivision and the east line of Lots 1 through 6, inclusive, in Robert L. Martin's Resubdivision of Lots 47 through 51, inclusive, in Robert L. Martin's Subdivision and along the east line of Lot 46 in said Robert L. Martin's Subdivision and the northerly extension thereof to the north line of West Arthington Street; thence east along said north line of West Arthington Street to the west line of South Ada Street; thence north along said west line of South Ada Street to the north line of West Cabrini Street; thence east along said north line of West Cabrini Street to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the point of beginning, being a point on the north line of West Roosevelt Road.

*Exhibit "D":*  
(To Ordinance)

*Roosevelt/Racine*

*Street Boundary Description Of The Area.*

The street boundary description for the Roosevelt/Racine Area is an area

**EXHIBIT B-1**

**LEGAL DESCRIPTION OF PREMISES**

**PARCEL A**

**Parcel 1 of Parcel A**

LOTS 2, 6, 8, 9, 11, 17, 18, 20, 21, 22, 24, 25 AND 26 IN PLAT 1 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BUCKLEYS SUBDIVISION, PART OF MACALASTER'S SUBDIVISION, AND SUBDIVISION OF BLOCK 14 OF VERNON PARK ADDITION TO CHICAGO, PART OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF CHICAGO, COUNTY OF COOK, STATE OF ILLINOIS, ACCORDING TO PLAT 1 OF SAID ROOSEVELT SQUARE SUBDIVISION RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831142.

**Parcel 2 of Parcel A**

LOTS 38, 39, 40, 41, 42, 47, 48, 50, 51, 52, 54, 56, 57, 60 AND 61 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7, AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.

**Parcel 3 of Parcel A**

LOTS 1 TO 8 AND 10 TO 16 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 3 AND 4 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Parcel 4 of Parcel A**

LOTS 1 TO 9 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 27 AND 28 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.



Parcel 5 of Parcel A

LOTS 1 TO 11 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 29 AND 30 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel 6 of Parcel A

LOTS 1 TO 8 IN THE RESUBDIVISION OF PART OF PLAT 2 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOT 44 OF PLAT 2 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL B

LOT 36 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7 AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.

PARCEL C

LOT 33 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7 AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.

**Permanent Tax Index Numbers and Addresses (All in Chicago, Illinois):**

**Parcel A:**

17-17-323-001, 17-20-334-004, 17-20-200-063, 17-20-207-045

1110 West Washburne	1132 West 13th	1228 West Taylor
1112 West Washburne	1222 West Taylor	
1118 West Washburne	1226 Blue Island	
1232 Blue Island	1244 Blue Island	
1254 Blue Island	1258 Blue Island	
907 South Lytle	914 South Racine	
1029 South Lytle	915 South Lytle	
1033 South Lytle	1016 South Racine	
1034 South Racine	1017 South Lytle	
1125 West Washburne	1022 South Racine	
1129 West Washburne	1038 South Racine	
1136 West 13th	1039 South Lytle	
1121 West Washburne		
1149 West Washburne		
1153 West Washburne		

1128 West Washburne	1205 Arthington	1210 West Grenshaw	1209 West Grenshaw
1130 West Washburne	1207 Arthington	1212 West Grenshaw	1211 West Grenshaw
1132 West Washburne	1209 Arthington	1214 West Grenshaw	1213 West Grenshaw
1134 West Washburne	1211 Arthington	1216 West Grenshaw	1215 West Grenshaw
1136 West Washburne	1213 Arthington	1218 West Grenshaw	1217 West Grenshaw
1138 West Washburne	1215 Arthington	1220 West Grenshaw	1219 West Grenshaw
1140 West Washburne	1221 Arthington	1222 West Grenshaw	1221 West Grenshaw
1142 West Washburne	1223 Arthington	1224 West Grenshaw	1223 West Grenshaw
	1225 Arthington		1225 West Grenshaw
	1227 Arthington		1227 West Grenshaw
	1229 Arthington		
	1231 Arthington		

**Parcel B:**

17-20-200-063	1075 West Roosevelt
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**Parcel C:**

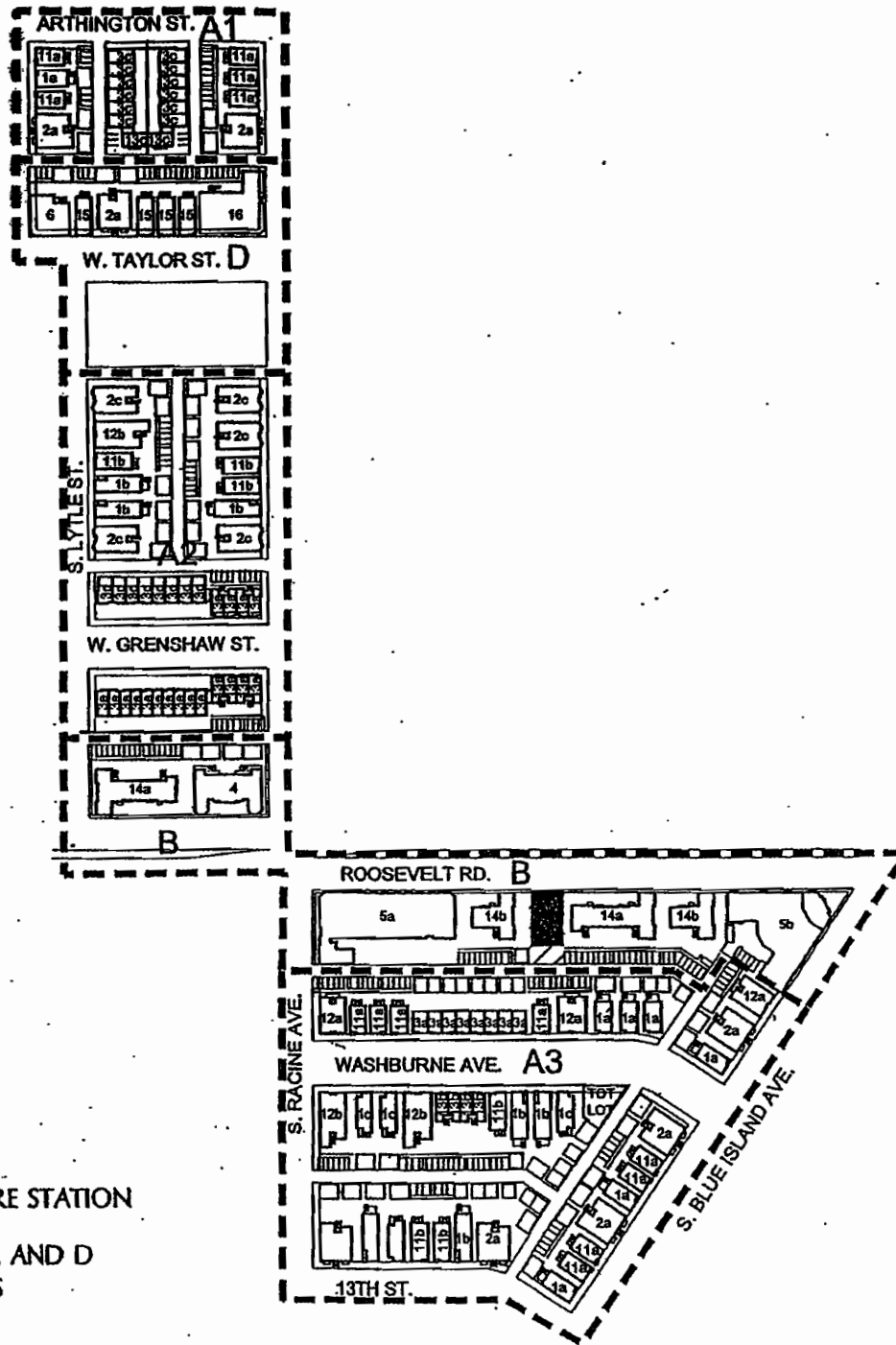
17-20-200-062, 17-20-200-063	1155 West Roosevelt
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**EXHIBIT B-2**

**SITE PLAN FOR THE PROJECT**

A site plan for the Project is attached to this exhibit cover sheet.

# PHASE ONE SITE PLAN

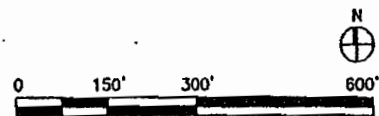


 EXISTING FIRE STATION

NOTE: A1, A2, A3, B, AND D  
DENOTE SUB AREAS

SITE PLAN IS INTENDED TO REFLECT DESIGN INTENT ONLY. ACTUAL BUILDING TYPES AND LOCATIONS MAY VARY BUT WILL BE IN SUBSTANTIAL CONFORMANCE TO THE DESIGN INTENT REPRESENTED HEREIN.

ROOSEVELT SQUARE **FINAL FOR PUBLICATION**



APPLICANT: City of Chicago  
121 N. LaSalle Street  
Chicago, Illinois 60602

DATE: October 1, 2003

LAST REVISED: November 20, 2003

EXHIBIT 7

**DE STEFANO + PARTNERS**

DeStefano and Partners, Ltd. Architecture  
445 East Illinois Street Planning  
Chicago, Illinois 60611 Interior Design

© 2003 De Stefano + Partners

**EXHIBIT C-1**

**Project Budget**

**Hard Costs**

Site Work	\$ 5,028,171
CHA Demolition and Remediation	\$ 4,297,890
Core & Shell	\$47,265,939
Parking Structure	\$ 3,585,887
Contingency	<u>\$ 2,665,851</u>
<b>Total Hard Costs</b>	<b>\$62,843,738</b>

**Soft Costs**

A & E	\$ 4,010,936
Taxes & Insurance	\$ 340,931
Unit Closing Costs	\$ 265,449
Financing Costs	\$ 4,013,933
Marketing & Advertising	\$ 2,832,311
Sales Commissions	\$ 3,854,134
Developer Overhead	<u>\$ 6,107,354</u>
<b>Total Soft Costs</b>	<b>\$21,425,048</b>

<b>Total Project Costs</b>	<b>\$84,268,786</b>
----------------------------	---------------------

**EXHIBIT C-2**

**MBE/WBE Project Budget**

**Hard Costs**

Site Work	\$ 5,028,171
CHA Demolition and Remediation	\$ 4,297,890
Core & Shell	\$47,265,939
Parking Structure	\$ 3,585,887
Contingency	<u>\$ 2,665,851</u>
<b>Total Hard Costs</b>	<b>\$62,843,738</b>

**Soft Costs**

A & E	<u>\$ 4,010,936</u>
<b>Total Soft Costs</b>	<b>\$ 4,010,936</b>

**MBE/WBE Project Budget      \$66,854,674**

MBE Total \$66,854,674\*24%= \$16,045,121

WBE Total \$66,854,674\* 4%= \$ 2,674,186

**EXHIBIT D**

**TIF-FUNDED IMPROVEMENTS**

<b><u>Statutory Category of Costs</u></b>	<b><u>Amount</u></b>
Costs of studies, surveys, development of plans and specifications, implementation and administrative of the redevelopment plan 65 ILCS 5/11-74.4-3(q)(1)	\$0
Property assembly costs, including, but not limited to, acquisition of land, demolition of buildings, site preparation, site improvements that serve as engineered barrier and the cleaning and grading of land 65 ILCS 5/11-74.4-3(q)(2)	\$ 10,531,140
50% of the cost of construction of new housing units to be occupied by low-income households 65 ILCS 5/11-74.4-3(q)(11)(F)	<u>\$ 1,010,198</u>
<b>TOTAL</b>	<b>\$11,541,338</b>

**EXHIBIT E-1**

**FORM OF CITY RECAPTURE MORTGAGE  
FOR AFFORDABLE FOR SALE UNITS**

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
Department of Law  
City of Chicago  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,  
INCLUDING RESTRICTIVE COVENANTS FOR  
AFFORDABLE FOR SALE UNITS**

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS FOR AFFORDABLE FOR SALE UNITS ("this Mortgage") is made as of this \_\_\_ day of \_\_\_\_\_, 200\_\_ from \_\_\_\_\_ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

**RECITALS**

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and the City's TIF Affordability Guidelines; and



WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or

improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in the this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

2.01 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further

provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured (or shall use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract

for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

### ARTICLE III

#### RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers. Mortgagor covenants that during the Recapture Period, it shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (a) to a Qualified Household, (b) for an Affordable Price, and provided that (c) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. Any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's Qualified Household, or (z) that simply consists of Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, shall not be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the affordable housing covenants contained in this Mortgage. **If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (a), (b) and (c), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).**

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon ten (10) business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that

such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

**3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.**

#### ARTICLE IV

##### DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) A failure by Mortgagor to comply with any of the Affordability Requirements set forth in under Section 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in the Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 City Remedies. The City shall have the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property shall make the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture

Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The "City Subsidy Recapture Amount" shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (a) this Mortgage was dated January 1, 2002, (b) the date of the Recapture Payment Event was July 1, 2008, and (c) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee's delivery of written notice of such failure to Mortgagor (a "Monetary Event of Default"), then Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within sixty (60) days of the Mortgagee's delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee

shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4.03 Other Remedies. (a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and

improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or



to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under

the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing at the following address: \_\_\_\_\_, Attention: \_\_\_\_\_.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):

\_\_\_\_\_

\_\_\_\_\_

STATE OF ILLINOIS)  
)  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_.

**Exhibit A to Attachment 1 (Form of Recapture Mortgage)**

**Legal Description**

**Exhibit B to  
Form of Recapture Mortgage**

**Definitions**

“Affordability Requirements” shall mean the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” shall mean \_\_\_\_\_, being the amount of the Purchase Price exclusive of upgrades.

“City Subsidy Amount” shall mean \$ \_\_\_\_\_, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing) and the Base Purchase Price.

“City Subsidy Recapture Amount” shall have the meaning set forth in Section 4.02 hereof.

“Closing Date” shall mean the date of execution of this Mortgage.

“Home” shall have the meaning set forth in the recitals hereto.

“Initial Seller” shall mean \_\_\_\_\_.

“Monthly Homeownership Costs” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

“Purchase Price” shall mean \$ \_\_\_\_\_, being the sum of the Base Purchase Price

plus upgrades.

**“Recapture Period”** shall mean for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

**“Qualified Household”** shall mean a single person, family or unrelated persons living together whose adjusted income is not more than [insert applicable percentage limit]% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>[ ]% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

**“Senior Lender”** shall mean \_\_\_\_\_, being the mortgagee under the Senior Mortgage.

**“Senior Mortgage”** shall mean that certain mortgage dated as of \_\_\_\_\_, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount of \$ \_\_\_\_\_.

**“TIF Contribution”** shall mean a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.

**EXHIBIT E-2**

**FORM OF CITY RECAPTURE MORTGAGE  
FOR MODERATE FOR SALE UNITS**

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
Department of Law  
City of Chicago  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,  
INCLUDING RESTRICTIVE COVENANTS FOR  
MODERATE FOR SALE UNITS**

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS FOR MODERATE FOR SALE UNITS ("this Mortgage") is made as of this \_\_\_ day of \_\_\_\_\_, 200\_\_ from \_\_\_\_\_ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

**RECITALS**

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and

(unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Moderate Income Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Moderate Income Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions,



improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

2.01 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of

the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured (or shall use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City

applicable to a purchaser of the Home, as set forth in the definition of Moderate Income Household on Exhibit B hereto.

### ARTICLE III

#### RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Moderate Income Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which shall be in the City's reasonable discretion.

3.03 Permitted Transfers. Mortgagor covenants that during the Recapture Period, it shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (a) to a Moderate Income Household, (b) for an Affordable Price, and provided that (c) the Moderate Income Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. Any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's Moderate Income Household, or (z) that simply consists of Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, shall not be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the affordable housing covenants contained in this Mortgage. **If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (a), (b) and (c), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).**

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon ten (10) business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

**3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME, VERY LOW-INCOME HOUSING AND MODERATE INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.**

#### **ARTICLE IV**

##### **DEFAULT**

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) A failure by Mortgagor to comply with any of the Affordability Requirements set forth in under Section 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in the Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 City Remedies. The City shall have the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property shall make the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the

Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The “City Subsidy Recapture Amount” shall be an amount equal to the City Subsidy Amount calculated from the Closing Date to the date of the Recapture Payment Event.

The City shall forgive recovery of 20% of the City Subsidy Recapture Amount on each anniversary of the Closing Date and shall forgive the remaining portion of the City Subsidy Amount on the final day of the Recapture Period.

For example, if (a) this Mortgage was dated January 1, 2002, (b) the date of the Recapture Payment Event was July 1, 2006, and (c) the City Subsidy Amount was \$20,000, then (i) the forgiven portion of the City Subsidy Recapture Amount would be 16,720 (80% forgiven after the 4<sup>th</sup> anniversary of the Closing Date) and (ii) the City Subsidy Recapture Amount on July 1, 2006 would be \$3,280 (\$20,000 minus \$16,720).

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee’s delivery of written notice of such failure to Mortgagor (a “Monetary Event of Default”), then Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within sixty (60) days of the Mortgagee’s delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender’s security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to

the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4.03 Other Remedies. (a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all

necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of

Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.



**5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.**

**5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing at the following address: 33 N. LaSalle Street, 2<sup>nd</sup> Floor, Attention: Commissioner.**

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):

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STATE OF ILLINOIS)

)  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_.

**Exhibit A to Attachment 1 (Form of Recapture Mortgage)**

**Legal Description**

**Exhibit B to  
Form of Recapture Mortgage**

**Definitions**

**"Affordability Requirements"** shall mean the affordability requirements contained in Sections 3.02 and 3.03 hereof.

**"Affordable Price"** shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Moderate Income Household.

**"Base Purchase Price"** shall mean \_\_\_\_\_, being the amount of the Purchase Price exclusive of upgrades.

**"City Subsidy Amount"** shall mean \$ \_\_\_\_\_, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing) and the Base Purchase Price.

**"City Subsidy Recapture Amount"** shall have the meaning set forth in Section 4.02 hereof.

**"Closing Date"** shall mean the date of execution of this Mortgage.

**"Home"** shall have the meaning set forth in the recitals hereto.

**"Initial Seller"** shall mean \_\_\_\_\_.

**"Monthly Homeownership Costs"** shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

**"Purchase Price"** shall mean \$ \_\_\_\_\_, being the sum of the Base Purchase Price

plus upgrades.

“Recapture Period” shall mean for the period commencing on the Closing Date and ending upon the 5th anniversary of the Closing Date.

“Moderate Income Household” shall mean a single person, family or unrelated persons living together whose adjusted income is more than 100%, but not more than 120% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>[ ]% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

“Senior Lender” shall mean \_\_\_\_\_, being the mortgagee under the Senior Mortgage.

“Senior Mortgage” shall mean that certain mortgage dated as of \_\_\_\_\_, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount of \$ \_\_\_\_\_.

“TIF Contribution” shall mean a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.

**EXHIBIT F**

**REDEVELOPMENT PLAN**

The Roosevelt/Racine Redevelopment Plan is attached to this exhibit cover sheet

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Roosevelt/Racine Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Community Development Commission (the "Commission") of the City, by

authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") called a public hearing (the "Hearing") concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 22, 1998; and

WHEREAS, The Plan (including the related eligibility report attached thereto as an exhibit) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act beginning July 28, 1998, at a time prior to the adoption by the Commission of Resolution 98-CDC-110 on July 28, 1998 fixing the time and place for the Hearing, at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on August 3, 1998 by publication in the *Chicago Sun-Times* or *Chicago Tribune* on August 26, 1998 and September 2, 1998, and by certified mail to taxpayers within the Area on August 26, 1998; and

WHEREAS A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on August 14, 1998 at 10:00 A.M., concerning the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 98-CDC-131 attached hereto as Exhibit B adopted on September 22, 1998, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, After the Plan was made available for public inspection and review on July 28, 1998, certain changes were made to the Plan (which changes are reflected in the Plan attached hereto as Exhibit A) and, pursuant to Section 5/11-74.4-5 (a) of the Act, notice of such changes was given by mail to each affected taxing district within the Area and by publication in the *Chicago Sun-Times* or the *Chicago Tribune* not less than ten (10) days prior to the adoption of this ordinance; and



WHEREAS The Corporate Authorities have reviewed the Plan (including the related eligibility report attached thereto as an exhibit), testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) the Plan either (a) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (b) includes land uses that have been approved by the Chicago Plan Commission; and

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance

redevelopment project costs is not more than twenty-three (23) years from the date of the adoption of the ordinance approving the designation of the Area as a redevelopment project area, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years.

**SECTION 4. Approval Of The Plan.** The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

**SECTION 5. Powers Of Eminent Domain.** In compliance with Section 5/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

**SECTION 6. Invalidity Of Any Section.** If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

**SECTION 7. Superseder.** All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

**SECTION 8. Effective Date.** This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed  
on page 80533 of this Journal.]

Exhibits "A", "B", "C" and "D" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

*Roosevelt/Racine Tax Increment Financing Redevelopment  
Project And Plan.*

## I. INTRODUCTION

This document is to serve as a redevelopment plan for an area approximately 1.5 miles southwest of the City of Chicago's central business district (the "Loop") subsequently referred to in this document as the Roosevelt/Racine Redevelopment Project Area (the "Project Area").

As part of its strategy to encourage managed growth and stimulate private investment within the Project Area, the City of Chicago (the "City") engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 211.58 acres qualifies as a "conservation area," or a "blighted area" under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (the "Act"). The Project Area is generally bounded by Cabrini Street on the north; Morgan Street and Racine Avenue on the east; 15th Street on the south; and Ashland Avenue and Loomis Street on the west.

The Project Area consists primarily of one of the largest and oldest concentrations of public housing in the City, the ABLA Homes. The ABLA Homes is made up of five sub-developments, constituting over 3,700 dwelling units. ABLA is an acronym for the five sub-developments; the Addams Homes, the Brooks Homes (including the Brooks Extension), Loomis Courts, the Abbott Homes, and although not represented in the ABLA acronym, the Jones Apartments for Senior Citizens make up the overall ABLA development in the Project Area. Buildings within the ABLA Development are of various types and ages. Buildings sizes range from rowhouses and walk-ups to high-rises. The ages of the buildings range from the late 1930s through the mid 1960s.

Decreases in the value and appearance of private property in and near the Project Area have been exacerbated by problems within ABLA. According to the Chicago Housing Authority (the "CHA"):

- The overall occupancy rate of ABLA is only 57%;
- ABLA is characterized by the results of long-term maintenance neglect of building exteriors as well as advanced deterioration of all building systems;
- The CHA has been cited for numerous code violations throughout the development;
- On average the crime rate of ABLA is 5 times higher than the City.

This Roosevelt/Racine Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") represents a continuing cooperative effort on the part of the City and the CHA to provide safe, clean and affordable housing for Chicago's poor, while spurring private investment in the Project Area. Although the Project Area is dominated by the presence of public housing, there is privately owned property along the southern frontage of Roosevelt Road

and along the eastern frontage of Ashland Avenue. Despite the blighted conditions prevalent in the Project Area, some aspects of the area offer hope that the opportunity for redevelopment may exist.

The physical assets of the Project Area include the following features:

- The close proximity of various public, and semi-public, educational and recreational facilities including the Smyth School, Riis School, Medill School, Jefferson School, Vernon Park, Fosco Park, the University of Illinois at Chicago, and YMCA facilities.
- Overall proximity, or ease of access to, major employment centers, including the Western/Ogden Industrial Corridor, the Illinois Medical District and the University of Illinois at Chicago.
- Both the Eisenhower Expressway (Interstate Route 290) and the Stevenson Expressway (Interstate Route 55) are readily accessible, as is the Dan Ryan Expressway (Interstate Route 90/94).
- Roosevelt Road provides important east-west arterial street access and major north-south access is provided by Ashland and Racine Avenues.
- The Project Area is adjacent to a portion of the eastern boundary of the Illinois Medical District (the "District"), an area of one square mile which includes Cook County Hospital, Rush Presbyterian-St. Luke's Medical Center, University of Illinois at Chicago ("UIC"), UIC Medical Center, the West Side Veterans Administration facility, and Chicago Technology Park and Research Center. District entities employ a total of over 40,000 people, according to the District's Master Plan, dated March 7th, 1997.

The Project Area described in more detail below, as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be re-developed without the efforts and leadership of the City.

While much of the Project Area is publicly held property and would not be expected to be the subject of private investment, even the areas of privately held property have not been subject to growth and development through the investment of private enterprise, nor is it reasonably expected to be redeveloped without the efforts and leadership of the City.

TPAP has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

### ***A. The Roosevelt/Racine Tax Increment Financing Redevelopment Project Area***

The Project Area is located approximately 1.5 miles southwest of the Loop. The Project Area consists of 257 buildings, encompasses a total of 211.58 acres and comprises 449 separate tax parcels, 292 of which are tax exempt. The Project Area as a whole is an improved area; however there are some small scattered, individual vacant sites within the Project Area, totaling approximately 4.78 acres. Most, if not all, of these vacant sites have been improved with buildings at some prior time. For a map depicting the boundaries and a legal description of the Project Area, see *Section II, Legal Description*.

The Project Area encompasses six main areas: a) the Jane Addams Homes, which includes the CHA development north of Roosevelt, south of Cabrini Street and between the Racine Avenue on the east and Loomis Street on the west; b) the Robert Brooks Homes, which are located south of Roosevelt Road between Loomis Street and Racine Avenue and north of 14th Street; c) the Grace Abbott Homes, which are generally located south of Roosevelt Road, north of 15th Street, east of Ashland Avenue and west of Loomis Street, included near the Abbott Homes are the Jones Apartments for seniors. d) Loomis Courts which are located south of 14th Street, north of 15th Street and between Loomis Street on the west and Racine Avenue on the east; e) the Brooks Extension, which is immediately to the east of the original Brooks development and is bounded by Roosevelt Road on the north, Racine Avenue on the west, and Blue Island Avenue along the south and east and f) the Barbara Jean Wright Court Apartments, which is south of Maxwell Street, north of 14th Place, west of Morgan Street and east of the Congressman Collins and Newberry Apartments (not included in the Project Area).

#### **The Jane Addams Homes**

The Jane Addams Homes is the oldest of the five ABLA sub-developments. Its units were built in 1938. This development is located on a twenty-four acre site bounded by Cabrini Street on the north, Roosevelt Road on the south, Racine Avenue on the east, and Loomis Street on the west. The development consists of thirty-two buildings containing a total of 987 dwelling units, mostly three-story and four-story apartment buildings, with some two-story row houses. All buildings in this development are experiencing very low occupancy rates.

#### **The Robert Brooks Homes and Brooks Extension**

The Robert Brooks Homes consists of 89 rowhouses. The original Brooks development is bounded by Loomis Street on the west, Roosevelt Road on the north, Racine Avenue on the east and 14th Street on the south. Having been built in 1943, it is the second oldest of the sub-developments in the larger ABLA public housing complex and originally contained 835 dwelling units. According to CHA officials, federal funding from the 1996 HOPE VI application is

currently being used to demolish a portion of the Brooks development and rehabilitate some of the remaining units.

The Brooks Extension is located on the east side of Racine, immediately adjacent to the original Brooks development. The Brooks Extension consists of three high-rise buildings, built in 1961, containing a total of 450 dwelling units. All three buildings are planned for demolition, with replacement housing to be built on the cleared site.

#### **The Loomis Courts**

The Loomis Courts are two mid-rise buildings, built in 1950, containing 126 dwelling units. They are located on the block immediately south of Medill Elementary School. The development is bounded by Loomis on the west, 14th Place on the north, Throop Street on the east and 15th Street on the south.

#### **The Grace Abbott Homes**

The Grace Abbott Homes are located south of Roosevelt Road, east of the commercial frontage on the east side of Ashland Avenue, north of 15th Street and west of Loomis Street. This development contains 7 high-rises and 33 rowhouse buildings, for a total of 1,200 dwelling units. The Jones Apartments, seniors housing, is included in the totals for this development. All buildings, with the exception of the Jones Apartments, were built in 1955. The Jones Apartment Building was built in 1963. In addition to the above mentioned residential buildings, this sub-area also includes Addams Park, currently the largest single tract of open space, at approximately 7.4 acres, within the ABLA development.

#### **The Barbara Jean Wright Court Apartments**

The Barbara Jean Wright Court Apartments is a multifamily residential complex with a mix of market rate and section 8 tenants. Despite a low vacancy rate and relatively young age of the complex, property maintenance has been deferred and deterioration of buildings and site conditions exist. Immediately adjacent to the Barbara Jean Wright Court Apartments is the Newberry Community Center which also is in need of maintenance and rehabilitation.

#### **The Project Area as a Whole**

The Project Area as a whole is substantial in size and is dominated by the presence of the ABLA public housing complex. The entire Project Area constitutes nearly 212 acres on the City's West

Side. The five CHA housing projects within the Project Area constitute 127.1 acres, including right-of ways, or nearly 60% of the total Project Area. The entire Project Area currently contains 59.5 acres dedicated to rights-of-way. Rights-of-way account for 28% of the total land area in the Project Area.

There are three census tracts that very closely approximate the borders of the land within the Project Area. These three tracts are 2832, 2838 and 2839. According to the U.S. Bureau of the Census - 1990 Census of Population and Housing, these three census tracts collectively:

- Contain 3,479 total households.
- Have an average median age of 20.4 years of age.
- Are 97% renter occupied.
- Have an average median household income of \$5,320 and an average per capita income of \$3,597.
- Have just over 4% of all persons 25 years of age or older with college degrees.

The privately held property within the Project Area has not been subject to growth and development through investment by private enterprise. While the publicly held properties within the Project Area have been subject to some specific publicly funded investments (for example the CHA has been demolishing and rehabilitating selected units within the Brooks Development), the level of effort that will be needed to achieve a safe, clean and attractive mixed-income community has not been achieved yet. Evidence of this lack of privately funded growth and development is detailed in *Section VI* and summarized below.

- Numerous buildings show signs of obsolescence, deterioration, building code violations, excessive vacancies, and an overall depreciation of physical maintenance.
- Between 1991 and 1997, the assessed valuation (the "AV") of the privately held, taxable property in the Project Area increased by only 5.94%, (from \$3,187,660 to \$3,377,105). During the same period, the AV of the City as a whole increased by 16.25% (from \$13,349,817,293 to \$15,519,362,105).
- Between 1991 and 1997, the equalized assessed value (the "EAV") of the privately held, taxable property in the Project Area increased by only 10.93% (from \$6,542,035 to \$7,257,061). During the same period, the EAV of the City as a whole increased by 21.72% (from \$27,397,830,030 to \$33,349,557,227).
- Within the last five years, only 8 building permits have been issued for the construction of new structures in the Project Area. These permits represent an estimated \$627,460 in building projects. However, only 5 of these permits, representing an estimated \$263,000 in

building projects, are attributable to private investment. The rest represents publicly funded construction projects.

- Over the last 5 years, more than 97% of the dollar value of all projects requiring building permits, inclusive of new construction, rehabilitation of existing structures and work performed to bring building into compliance with code, has been attributable to public spending and not due to private investment.
- Nine building permits issued over the last 5 years (out of a total of 64) representing a total estimated project cost of \$124,650, are for repairs done by the order of the City of Chicago Department of Buildings.

### ***B. Tax Increment Financing***

In January 1977, Tax Increment Financing ("TIF") was made possible by the Illinois General Assembly through passage of the Act. 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 eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of taxable real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

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

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties for a period of up to 23 years. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and the redevelopment project costs necessary to implement the redevelopment plan. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.



**C. *The Redevelopment Plan for the Roosevelt/Racine Tax Increment Financing Redevelopment Project Area***

Without a comprehensive and area-wide effort by the City to promote investment in accordance with this Redevelopment Plan, the privately held properties within the Project Area will not likely be subject to sound growth and development through private forces. Additionally, the Project Area would likely continue to be characterized by dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, depreciation of physical maintenance and an overall lack of community planning. Additional loss to the existing tax base that results will lead to the overburdening of taxpayers with higher tax rates on taxable properties. The long term effect is a tax base that is not adequate to sustain its own need for governmental services.

While small-scale, piecemeal development might occur in limited portions of the Project Area, the City believes that the Project Area should be developed on a coordinated, comprehensive and planned basis to ensure continuity with the planning efforts of the City and the surrounding neighborhoods. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses as well as to initiate job training efforts that will prepare residents of the Project Area to work in the existing and newly-created jobs in the planned commercial strip along Ashland Avenue and in adjacent redevelopment areas.

As evidenced in *Section VI*, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF. While it is understood that much of the Project Area consists of exempt property not readily accessible to private investment, the private property surrounding ABLA has suffered declines in value and appearance similar to the decline in maintenance and upkeep of ABLA on the part of the CHA. Current and ongoing efforts on the part of CHA to revitalize ABLA make the coordination and timing of other non-CHA redevelopment effort all the more critical.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated, rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated; and

3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City through an increased tax base and job creation.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend, to a large extent, on the cooperation between the private sector and agencies of local government. Through this Redevelopment Plan, the City will serve as the guiding force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

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

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

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes generated by a TIF designation and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing blight conditions which have precluded development of the Project Area by the private sector to date.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. Anticipated benefits include:

- Improved living conditions for all residents of the Project Area, especially CHA residents.
- An increased property tax base arising from new private mixed-income housing development.
- An increased sales tax base resulting from new and revitalized commercial development.
- An increase in construction, and other full-time employment opportunities for existing and future residents of the City.
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize the costs of redevelopment and promote the comprehensive, area-wide redevelopment.
- The construction of an improved system of roadways, including the re-introduction of Chicago's traditional street grid system to some of the areas where it had been disrupted by

previous development patterns, utilities and other infrastructure which better serves existing buildings and adequately accommodates desired new development.

## II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

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

The Project Area is generally bounded by Cabrini Street on the north; Morgan Street and Racine Avenue on the east; 15th Street on the south; and Ashland Avenue and Loomis Street on the west.

The boundaries of the Project Area are legally described in Exhibit IV.

## III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definitions, applications and extent of the blight factors in the Project Area. The report, prepared by TPAP, entitled "*Roosevelt/Racine Project Area Tax Increment Financing Eligibility Study*" is attached as Exhibit III to this Redevelopment Plan.

- Of the 14 blighting factors set forth in the Act for "improved" blighted areas, 10 are present in the Project Area. Five factors are required to be present under the Act in order for the finding to be made that an area is an improved blighted area. Nine factors (age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent in the Project Area and one factor (excessive land coverage) is present to a limited extent in the Project Area. A factor present to a limited extent is present in a block, but the distribution or impact of the blight condition is limited in scope or severity. A factor which is present to a major extent is present throughout major portions of a block, with the presence of this condition severely impacting or influencing adjacent and nearby development. When assessing whether a factor is present to a major or minor extent throughout the Project Area as a whole, the scope and severity of that factor is considered. Therefore the determination of major or minor extent is not simply a determination of a majority or minority of blocks with the factor present to a major or limited extent.

- Within the "improved" blighted area, vacant land and vacant parcels exist where buildings have been removed. These vacant sites are characterized by obsolete platting and are adjacent to deteriorating structures or site improvements.
- The factors present are reasonably distributed throughout the Project Area, including the vacant portions of the Project Area.
- All blocks within the Project Area show the presence of blight factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

### **Surveys and Analyses Conducted**

An analysis was made of each of the blighted area eligibility factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP and Ray/Dawson, P.C. Architects & Engineers included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;
7. Analysis of building floor area and site coverage;
8. Analysis of building permits issued for the Project Area from 1993 through 1997; and
9. Review of previously prepared plans, studies and data.

#### IV. REDEVELOPMENT GOALS AND OBJECTIVES

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional employment opportunities and the addition to a clean and safe public housing stock.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V presents more specific objectives for development and design within the Project Area and the redevelopment activities the City plans to undertake to achieve the goals and objectives presented in this section.

##### *A. General Goals*

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. Improve the quality of life in the City by revitalizing the Project Area. This can be accomplished through assisting the Project Area to become a secure, functional and attractive mixed-income neighborhood and by encouraging the construction of new, affordable housing.
2. Create an environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve and enhance the value of properties within and adjacent to the Project Area.
3. Create an increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the Project Area.
4. Retain and enhance sound and viable existing businesses within the Project Area.
5. Create new job opportunities within the Project Area.
6. Employ residents from within the Project Area as well as surrounding areas, in jobs in the Project Area and adjacent redevelopment project areas.

### ***B. Redevelopment Objectives***

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit III to this Redevelopment Plan.
2. Strengthen the economic well-being of the Project Area by increasing taxable values.
3. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan and contemporary development needs and standards.
4. Encourage visually attractive buildings, rights-of-way and open spaces incorporating high design standards.
5. Provide necessary public improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
6. Provide necessary incentives to encourage the development of quality market rate, and affordable, housing.
7. Provide necessary incentives to encourage business retention, rehabilitation and new development.
8. Establish job training and job readiness programs to provide residents from within and surrounding the Project Area with the skills necessary to secure jobs within the Project Area and adjacent redevelopment project areas.
9. Secure commitments from employers located in adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
10. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

### **V. REDEVELOPMENT PROJECT**

This section presents the Redevelopment Project anticipated to be undertaken by the City, the CHA and by private entities on behalf of the City in furtherance of this Redevelopment Plan.

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) development and design objectives, c) the land use plan, d) improvement and development recommendations for planning sub-areas, e) a description of redevelopment improvements and activities, f) estimated redevelopment project costs, g) a description of sources of funds to pay estimated redevelopment project costs, h) a description of obligations that may be issued, and i) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

Preparation of this Redevelopment Plan has included a review of the CHA's 1997 *Hope VI Revitalization Application for ABLA* dated July 17, 1997, the CHA's *ABLA Redevelopment document* dated December 6, 1997, the CHA's *Hope VI Application for a Revitalization Plan ABLA Homes (Brooks Extension - Target Development)* and the City of Chicago Department of Urban Renewal's 1966 *Roosevelt/Halsted Proposals for Renewal*, as well as numerous physical needs assessments and modernization cost estimate reports prepared for the use of CHA planners. These previously prepared plans and studies were supplemented with interviews of representatives of the CHA, which owns significant land within the Project Area. This Redevelopment Plan incorporates many of the findings and recommendations of these previous plans and studies.

#### **A. Overall Redevelopment Concept**

The Project Area should be redeveloped as a functional, clean and attractive mixed-use and mixed-income residential neighborhood with convenient commercial service enterprises typical of sound neighborhoods throughout the City. It should consist of residential and business areas offering a range of site development opportunities.

The Project Area should be marked by improvements in infrastructure, improvements in existing residential developments, creation of new mixed-income residential units, creation of new public housing, business development, and enhancement of the area's overall image and appearance. Improvement projects should include the rehabilitation and reuse of existing public housing buildings where viable, new business development, new market-rate and affordable residential development, street repairs, sewer system and infrastructure maintenance, landscaping and other appearance improvements.

The Project Area should maximize its existing accessibility features and should be served by a street system and public transportation facilities that provide safe and convenient access to, and circulation within, the Project Area.

The Project Area should be characterized by an organized network of open spaces, pedestrian facilities and public amenities which will link major residential areas and other facilities.

The Project Area should have a coherent overall design and character. Individual developments should be visually distinctive and compatible. Where it is not in conflict with current public housing development practices, the Project Area should respect Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, with buildings facing the street, including rear and front yards. To see planned re-introduction of street right-of-ways reference Figure 2: *Generalized Land Use Plan*.

### ***B. Development And Design Objectives***

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment throughout the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Re-development Plan.

The Development Guidelines are intended to help attract desirable new residential, business and employment development, foster a consistent and coordinated development pattern, and create an attractive and quality image and identity for the Project Area.

#### **1. Land Use**

- Redevelop the Project Area as a distinctive residential environment including a mix of housing types serving a range of households and income levels.
- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive mixed-income residential neighborhood with adequate supporting commercial development.
- Provide sites for a wide range of land uses, including mixed-income residential development, consistent with contemporary residential standards, institutional, retail, commercial service and open green space.
- Promote retail and commercial uses in selected locations which support the needs of the Project Area's residents.
- Protect areas designated for residential and commercial uses from competing and conflicting land uses.
- Encourage continued growth of high quality market-rate residential units in the vicinity of the Project Area.

#### **2. Building and Site Development**



- New residential development should be compatible with and complement the existing development pattern within the majority of the City's neighborhoods. Residential buildings should be positioned perpendicular to the street, with their front doors facing the street.
- Setbacks should conform to the requirements of the R-4 zoning district. However, setbacks should be consistent within each block.
- Repair and rehabilitate existing public housing buildings in poor condition and demolish buildings where rehabilitation is not feasible.
- Reuse vacant buildings in serviceable condition.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Promote the use of architectural treatments and landscaping around buildings to add visual interest
- Locate building service and loading areas away from front entrances and major streets where possible.
- Encourage parking, service and support facilities which can be shared by multiple buildings.
- Discourage the use of chain link fencing.

### **3. Transportation and Infrastructure**

- Provide safe and convenient access to the Project Area for pedestrians, autos and public transportation.
- Provide an adequate supply of conveniently located parking to serve all residential and commercial areas.
- Alleviate traffic congestion along arterial routes throughout the Project Area.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Provide well-defined, safe pedestrian connections between developments within the Project Area, and between the Project Area and nearby destinations.
- Upgrade public utilities and infrastructure throughout the Project Area as required.

### **4. Urban Design**

- The Project Area should have a strong pedestrian orientation. Sidewalks should be provided along all street frontages. Safe and convenient pedestrian connections should be provided between residential areas and nearby shopping and other activity areas.

- Establish a comprehensive streetscape system to guide the design and location of light fixtures, sidewalks, paving materials, landscaping, street furniture and signage throughout the Project Area.
- Promote high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the major street corridors.
- Install streetpole banners throughout the Project Area to signal revitalization and reinvestment.
- Preserve and reuse buildings with historic and architectural value, where appropriate.
- Clear, clean and maintain vacant land, particularly in highly visible locations; where possible, use vacant lots for open space or off-street parking.
- Improve the condition and appearance of remaining public housing areas.
- Eliminate illegal dumping, abandoned vehicles and graffiti.
- Promote the development of public art at selected locations.
- Prohibit billboards and restrict other outdoor advertising.

#### 5. Landscaping and Open Space

- Provide landscaped buffers to secure and beautify residential areas and reduce the adverse impact of non-residential adjacent uses.
- Encourage landscaped open spaces in front setbacks, particularly along arterial collector streets.
- Screen active rail tracks with landscaping.
- Promote the use of landscaping and attractive fencing to screen dumpsters, waste collection areas, loading areas, service areas and the perimeter of parking lots and other vehicular use areas.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- Promote the development of shared open spaces within residential areas, including courtyards, eating areas, recreational areas, etc.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

### **C. Generalized Land Use Plan**

Figure 2 represents the Generalized Land Use Plan that will be in effect upon adoption of this Redevelopment Plan. This plan is a generalized plan in that it depicts "ideal" uses for various portions of the Project Area. This plan does not preclude other uses from existing within any of the various land use categories. However, it does restrict potential TIF assistance to those redevelopment projects that comply with the Generalized Land Use Plan.

As indicated in Figure 2, the Project Area should be redeveloped as a planned and cohesive mixed-income residential neighborhood providing for a wide range of land uses, including public housing, market-rate residential, commercial service, open space and public and institutional uses. The various land uses should be arranged and located to minimize conflicts between different land use activities.

The Generalized Land Use Plan highlights numerous opportunities for mixed-income residential and business improvement, enhancement and new development within the Project Area. The plan is focused on maintaining and enhancing sound and viable existing residential and businesses, and promoting residential and business development at selected locations.

As part of this Redevelopment Plan the City plans to acquire most of the privately held parcels along the southern frontage of Roosevelt Road from Racine Avenue on the east to a parcel immediately east of the Shell Gasoline Station on the south east corner of Ashland Avenue and Roosevelt Road. The City also plans to acquire most of the privately held parcels along the eastern frontage of Ashland Avenue, beginning immediately south of the aforementioned Shell Station, and continuing south to the north line of West 14th Place. In addition the City also plans to acquire the parcels fronting 15th Street on the south and bounded by Lafflin Street on the west and Loomis Street on the east. This acquisition plan is depicted on Figure 4: Acquisition Map.

The Generalized Land Use Plan designates five (5) land use categories within the Project Area, as described below:

- *Residential* - Areas that are predominately residential in nature. Residential areas can include single-family and multi-family dwelling units; market-rate housing, low/moderate income housing, as well as housing owned and maintained by the CHA. Some areas under this category may contain privately developed housing on land owned by the CHA but leased to a private developer for all, or some, of the aforementioned purposes.

- *Commercial* - Includes the eastern frontage of Ashland Avenue from Roosevelt Road on the north to 14th Place on the south. The City plans to acquire a sufficient number of parcels along this frontage to accommodate development of a new cohesive commercial strip. Permitted uses include: barber/beauty salons, dry cleaners and other convenience retail and service uses.
- *Mixed-Use* - Includes areas where a range of uses may be appropriate and will depend to great extent upon the type of redevelopment activities that occur in surrounding areas. Possible uses in this land use category include: Residential, Parks/Open Space, Commercial or Public/Educational.
- *Public/Educational* - Includes areas controlled by the City, Chicago Park District, YMCA, Chicago Public Schools and other like entities.
- *Parks/Open Space* - Includes improved parks and playgrounds, and landscaped areas used primarily for recreational purposes. Open Space may also serve as a buffer between different types of land use, or buildings of different scales.
- *Reintroduction of Rights-of-Way ("R.O.W.")*. As specified on the Generalized Land Use Plan there are areas where the City plans to reintroduce the street grid system.

Recommended land use strategies for specific sub-areas are presented in the following section of this Redevelopment Plan.

#### **D. Planning Sub-areas**

The Project Area has been subdivided into nine (9) sub-areas, each of which would be suitable for a different mix of uses and intensity of development, and each of which warrants a different approach to improvement and redevelopment. (See Figure 3)

It should be emphasized that the boundaries of these sub-areas and the specification of uses within the sub-areas are for guidance only, and are subject to refinement and modification as a part of the City's planned development process.

#### *Sub-area A*

Planning Sub-area A constitutes the northernmost portion of the Project Area. It is bounded generally by Cabrini Street on the north, Racine Avenue on the east, Roosevelt Road on the south, and Loomis and Throop Streets on the west. This area is currently CHA property, and contains some of the oldest public housing in Chicago. It is expected that this area will remain primarily residential in nature, but with the addition of some newly constructed, mixed-income residential development. Currently this area is dominated by the CHA's Addams Homes.

Two major factors that should be taken into consideration when redeveloping this area are: a) the area is bounded on two sides by major thoroughfares, Roosevelt Road and Racine Avenue, and b) there are two public-use facilities within the area (the Boys and Girls Club and Riis School). Residences located along Roosevelt Road should complement those to be located along the southern frontage of Roosevelt Road and include attractive landscaping similar on both the north and south sides of the road. Residential buildings should be of a human scale with attractive masonry facades similar to multi-family residences in the established residential neighborhoods to the north. The Roosevelt and Racine intersection should serve as a "gateway area" for the newly redeveloped area and be a symbol of what a safe, clean, viable and diverse, mixed-income neighborhood can look like.

#### *Sub-area B*

Sub-area B consists of the southern frontage along Roosevelt Road from Racine Avenue on the east to the eastern property line of the Shell gas station located on the southeast corner of Ashland Avenue and Roosevelt Road. (The gas station parcel will remain commercial and is part of the commercial sub-area E.) It is recommended that mixed-income residential development

made up of two and three unit multifamily buildings of masonry construction that blend into traditional urban residences in appearance be built in this sub-area. Landscaping on both sides of Roosevelt Road, along with appropriate street furniture, would add significantly to an enhanced neighborhood setting. The City expects that it will move to acquire all privately owned properties that it does not already own within this sub-area. Refer to Figure 4, Acquisition Map, for specific parcels targeted for acquisition.

#### *Sub-area C*

Sub-area C currently consists of three CHA high-rise buildings, as of the date of TPAP field survey, (the Brooks Extension) in the northern section and the Liberty Shopping Center on the southern section. Future plans for this sub-area should include the demolition of all existing structures and the consolidation of the residential section with what is currently a dilapidated retail area to form a more solidly residential area. In conjunction with the demolition and rehabilitation in the Brooks Homes already begun by CHA, replacement housing should be built in this sub-area similar to that being recommended along Roosevelt Road in Sub-area B.

In addition, Washburne Avenue and 13th Street should be extended to run through to this area, essentially creating three new blocks, integrating the larger street grid system.

#### *Sub-area D*

Sub-area D currently contains several public and semi-public uses including Smyth School and the Duncan YMCA. It is anticipated that this sub-area will be maintained for public and semi-public uses, but that there may be some reconfiguration of open space.

The service oriented entities in this sub-area provide a range of services to the population living in ABLA. Just like ABLA many of these entities are striving to maintain clean, safe and sanitary conditions within their service areas.

#### *Sub-area E*

Sub-area E contains the eastern frontage along Ashland Avenue from Roosevelt Road on the north to the north side of 14th Place. Currently this area is a mixture of vacant buildings, vacant lots, a few inhabited residential structures, a used car lot and two cellular telephone towers. This

sub-area should be redeveloped as a commercial area containing businesses that serve the nearby residential population. The church located at the northeast corner of Ashland Avenue and Hastings Street, which may have architectural and historical significance, should remain.

The City expects to acquire all remaining privately owned properties within this sub-area, with the exception of the aforementioned church. Refer to Figure 4, Acquisition Map, for specific parcels identified for acquisition.

#### *Sub-area F*

Sub-area F contains the bulk of the CHA's ABLA Public Housing Development. It is anticipated that this sub-area will remain residential in nature, but that there will be modifications in the configuration and density of the buildings, configuration of open space, and the extent and configuration of City rights-of-way. Existing public and semi-public buildings, such as the Medill Elementary School, are expected to remain. As part of the reintroduction of the street grid to the area, 13th Street, 14th Street and 14th Place should be re-opened through this sub-area. Open space in this sub-area, Fosco Park, approximately 2.4 acres has the potential, based on the Generalized Land Use Plan, to be expanded to approximately 4.9 acres, although the exact configuration has not been determined at this time.

#### *Sub-area G*

Sub-area G currently contains several active industrial uses and it is expected at this time that those uses will remain. Most buildings appear to contain a substantial amount of vacant space, which suggests the possibility for some intensification. Since this is a sub-area where industrial uses abut residential uses, buffer areas should be introduced, possibly on the north side of 15th Street, in the form of trees and other landscaping. Opportunity sites for new development also exist in this sub-area.

The City expects that it will move to acquire some privately owned properties within this sub-area. Refer to Figure 4, Acquisition Map, or Exhibit V, Parcels Identified for Acquisition, for specific parcels targeted for acquisition.

*Sub-area H*

Sub-area H is a triangular piece of land bounded by Blue Island Avenue on the northwest, Racine Avenue on the east and 15th Street on the south. This sub-area contains parcels that are small and isolated by the configuration of the streets. However the potential exists to greatly enhance the image of the community by applying attractive landscaping in such a way that buffers the neighboring residential uses not only from the parcels themselves, but also the South Water Market immediately east of Racine Avenue.

*Sub-area I*

Sub-area I is bounded by Maxwell Street on the north, Morgan Street on the east, 14th Place on the south and the eastern parcel lines of the parcels containing the Congressman Collins Apartments and the Newberry Apartments on the west. The western north/south boundary for this sub-area runs between Barbara Jean Wright Court and the other two apartment complexes. The Collins Apartments and Newberry Apartments are not included in the Project Area. This sub-area is heavily influenced by the presence of the Barbara Jean Wright Court Apartments complex, in fact the only structure in this sub-area that is not part of the apartment complex is the Newberry Center, a community center.

This sub-area is currently planned to continue as a multi-family residential development with the Newberry Center continuing to operate in its current location. However, the apartment complex suffers from neglect, nearby infrastructure needs investment and landscaping could provide some relief in term of a buffer from the activity at the South Water Market to the south and the activities at the UIC Athletic fields to the east.



### ***E. Redevelopment Improvements and Activities***

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

Wherever possible the City will seek to maximize a positive impact, through this Redevelopment Plan, on the Project Area's job training programs, public school facilities, park facilities and infrastructure.

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which may include affordable housing requirements.

#### **1. Property Assembly**

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

Figure 4, Acquisition Plan, indicates the parcels currently proposed to be acquired for clearance and redevelopment in the Project Area. Exhibit V, Parcels to be Acquired, contains the block and parcel identification number of parcels proposed for acquisition.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

In connection with the City exercising its power to acquire real property not currently identified on Figure 4, Acquisition Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City of Chicago. Included in this Redevelopment Plan is an Acquisition Map, Figure 4, depicting all of the real property that the City anticipates it will need to acquire in this redevelopment effort.

Land acquisition activities contemplated in this Redevelopment Plan and indicated on Figure 4, Acquisition Plan, will be initiated by the City within five years of the date of adoption of the Plan by the City.

## 2. Relocation

In the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services in accordance with City policy.

Relocation assistance is available to eligible businesses and residential occupants in cases where the City's acquisition of property forces a move.

## 3. Provision of Public Works or Improvements

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

### a) *Streets and Utilities*

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

### b) *Parks and Open Space*

Improvements to, or relocation of existing parks, or the creation of new parks, open spaces and public plazas may be provided, including the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements for use by the general public.

## 4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation, reconstruction, repair, or remodeling of public or private buildings and fixtures that are structurally sound and/or historically significant, and are compatible with the Redevelopment Project.

The City may implement programs designed to increase the skills of the labor force to maximize the employment opportunities within the Project Area.

**5. Taxing Districts Capital Costs**

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

**6. Interest Subsidies**

Funds may be provided to developers or redevelopers for a portion of interest costs incurred by a developer or 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 developer or redeveloper with respect 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, then the amounts 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 paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

**7. Analysis, Administration, Studies, Surveys, Legal, etc.**

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

**F. Redevelopment Project Costs**

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. A list of estimated redevelopment project costs which are deemed

to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs") is attached as Exhibit I to this Redevelopment Plan.

**1. Eligible Redevelopment Project Costs**

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

- 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 service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- 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 public or private 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 thereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- 7) All or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
- 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;
- 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 per-

sons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act (as described in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as described in the Act);

- 11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
- 12) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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

debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

## ***I. Valuation of the Project Area***

### **1. Most Recent EAV of Properties in the Project Area**

The most recent (1997) EAV of all taxable parcels within the Project Area is estimated to be \$7,257,061. This 1997 EAV is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County. The 1997 EAV of the Project Area is summarized in Exhibit II: *1997 EAV by Tax Parcel: Project Area*.

If the 1997 EAV figures for all taxable parcels within the Project Area shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, and the City update the Redevelopment Plan by replacing the 1996 EAV with the 1997 EAV without further City Council action.

### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2013 (collection year 2014), the assumed end of a 15 year buildout period and following the construction of mixed-income residential developments, commercial developments and redevelopment, roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, as currently anticipated, the EAV of the Project Area is estimated to total approximately \$84 million. Uses for revenue collected based on the increased EAV after the buildout period will depend on the method used to finance redevelopment activities, and the additional actions that may need to be taken by the City in furtherance of the Plan. Such actions may include assisting private redevelopment or providing public improvements. No surplus can be declared until all obligations are retired, and all Redevelopment Project Costs have been incurred. Once all obligations incurred have been satisfied, and all Redevelopment Project Costs have been incurred the Redevelopment Project can be dismantled.

Estimates are based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) inflation of EAV of 2% per triennial reassessment period; 3) approximately 2.5 million square feet of taxable residential space will be constructed in the Project Area; 4) approximately 406,000 square feet of commercial space will be constructed in the Project Area; 5) approximately 979,000 square feet of land, formerly tax exempt status, will be placed on the tax rolls and; 6) the five year average state equalization factor of 2.1240 (tax years 1992 through 1996) is used in all years to calculate estimated EAV.

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blight factors that are reasonably distributed throughout the Project Area. These factors are widespread within the Project Area and represent major impediments to sound growth and development.

The decline and lack of private investment in the Project Area are evidenced by the following:

### **The Physical Condition of the Project Area**

- Specifically, the age of structures, dilapidation, obsolescence, deterioration, the illegal use of individual structures, the presence of structures below minimum code standards, excessive vacancies, overcrowding of structures and community facilities, a lack of ventilation, light, or sanitary facilities, inadequate utilities, excessive land coverage, deleterious land-use or lay-out, depreciation of physical maintenance and a lack of community planning
- From January 1, 1993 through December 1997, 195 building code violations have been cited within the Project Area by the City of Chicago Department of Buildings

### **Lack of New Construction by Private Enterprise**

- Within the last five years, only 8 building permits have been issued for the construction of new structures in the Project Area. These permits represent an estimated \$627,460 in building projects. However, only 5 of these permits, representing an estimated \$263,000 in building projects, are attributable to private investment. The remaining permits represent publicly funded construction projects.

### **Lack of Renovation by Private Enterprise**

- There has been no large-scale, comprehensive rehabilitation of existing private buildings within the Project Area for at least five years.
- Over the last 5 years, more than 97% of the dollar value of all projects requiring building permits, inclusive of new construction, rehabilitation of existing structures and work performed to bring building into compliance with code, has been attributable to public spending and not due to private investment.
- Nine building permits issued over the last 5 years, representing a total estimated project cost of \$124,650, are for repairs done by the order of the City of Chicago Department of Buildings.

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

- Between 1991 and 1997, the assessed valuation (the "AV") of the privately held, taxable property in the Project Area increased by only 5.94%, (from \$3,187,660 to \$3,377,105). During the same period, the AV of the City as a whole increased by 16.25% (from \$13,349,817,293 to \$15,519,362,105).
- Between 1991 and 1997, the equalized assessed value (the "EAV") of the privately held, taxable property in the Project Area increased by only 10.93% (from \$6,542,035 to \$7,257,061). During the same period, the EAV of the City as a whole increased by 21.72% (from \$27,397,830,030 to \$33,349,557,227).

#### **Impediments to Future Development**

Development of the Project Area cannot be reasonably anticipated without intervention from the City and adoption of this Redevelopment Plan due to the following impediments:

- Incentive to maintain or upgrade properties is reduced by the overall appearance of disinvestment and blight associated with the overall Project Area.
- Street conditions, within much of the Project Area, are poor and lacking curbs, gutters and street lights.
- The diversity of ownership of land needed to be assembled for any large scale redevelopment along the Ashland Avenue and Roosevelt Road Frontages.

#### **Problems Symptomatic of a Lack of Private and Public Investment**

According to the *July 17, 1997 Redevelopment Fact Sheet*, prepared by the CHA:

- The overall occupancy rate of ABLA is only 57%.
- ABLA is characterized by the manifestations of a lack of maintenance of building exteriors as well as advanced deterioration of all building systems.
- The CHA has been cited for numerous code violations throughout the development.
- On average the crime rate of ABLA is 5 times higher than that of the City.

Contained in the Act is the provision that TIF may only be used if the Project Area were not to be reasonably expected to be redeveloped "but for" the use of TIF. The preceding statements are meant as supporting evidence to meet this "but for" test.

The Project Area is a blighted area as evidenced in the accompanying Eligibility Study, Exhibit III. The Project Area on the whole has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be re-developed without the efforts and leadership of the City and the adoption of this Redevelopment Plan for the Project Area.



## VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that blight factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

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

The Redevelopment Project is expected to have significant positive financial impacts on the taxing districts affected by this Redevelopment Plan. After the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

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

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

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Project Area. The City of Chicago Library Fund was formerly a separate taxing district from the City. While it no longer extends taxing levies as a separate taxing agency it continues to exist for the purpose of receiving delinquent taxes. The Library Fund now levies taxes as a fund within the total rate of the City of Chicago:

#### ***A. Impact of the Redevelopment Project***

The replacement of vacant and underutilized properties within the Project Area may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City and possibly the Chicago Public Schools. The nature of the estimated increased demands on these taxing districts are described below:

Metropolitan Water Reclamation District of Greater Chicago. The CHA's construction of new replacement housing within the ABLA development along with the rehabilitation of many dwelling units may increase occupancy levels in ABLA. In addition, a possible resurgence of viable commercial properties in the Project Area may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with new and rehabilitated residential dwelling units along with resulting business development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.

Chicago Public Schools. The addition to and rehabilitation of the housing stock within the Project Area may result in an increased population of school aged children. Capacity for additional students exists at schools within the Redevelopment Project Area, as well as at schools in the vicinity of the Project Area. However, the extent to which unused capacity is actually suitable for use has not been determined.

***B. Program to Address Increased Demand for Services or Capital Improvements***

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

As it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District, no assistance is proposed for the Metropolitan Water Reclamation District.

If it is determined that actions on the part of the City which are directly linked to this Redevelopment Plan increase the demand on the Chicago Public Schools beyond their existing capacity at facilities with attendance areas which overlap with any portion of the Project Area the City may compensate the Chicago Public Schools for some portion of their increased costs, provided they are TIF eligible expenses.

If it is determined that actions on the part of the City which are directly linked to this Redevelopment Plan increase the demand on the Chicago Park District at facilities within the Project Area the City may compensate the Chicago Park District for some portion of their increased costs, provided they are TIF eligible expenses.

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

Exhibit I to this Redevelopment Plan illustrates the preliminary allocation of Redevelopment Project Costs.

## **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include the generalized land uses set forth in Figure 2, as approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan by the City Council of the City.

## **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

Estimates of anticipated EAV assume a buildout period for improvements of 15 years; the maximum legal life of a TIF is 23 years. All obligations incurred as a result of this Plan must be met within the 23 year maximum life of the TIF. It is currently assumed that tax increment revenues will be used every year of this TIF's existence to fund eligible Redevelopment Project Costs.

## **XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.

## XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT

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

- A) The assurance of equal opportunity in all personnel and employment actions, 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) Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirement as required in redevelopment agreements.
- C) 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, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

[Figures 1, 2, 3 and 4 referred to in this Roosevelt/Racine Redevelopment Project and Plan printed on pages 80578 through 80580 of this Journal.]

[(Sub)Exhibit IV referred to in this Roosevelt/Racine Redevelopment Project and Plan constitutes Exhibit "C" to the ordinance and printed on page 80643 of this Journal.]

(Sub)Exhibits I, II, III and V referred to in this Roosevelt/Racine Redevelopment Project and Plan read as follows:

*(Sub)Exhibit I.*  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

*Estimated Redevelopment Project Costs.*

**ELIGIBLE EXPENSE**

	<u>Estimated Cost</u>
Analysis, Administration, Studies, Surveys, Legal, etc.	\$ 1,000,000
Property Assembly	
-Acquisition	6,000,000
-Site Prep and Demolition	1,500,000
-Environmental Remediation	2,000,000
Rehabilitation of Existing Buildings	1,000,000
Public Works & Improvements <sup>1</sup>	
-Streets and Utilities	10,000,000
-Parks and Open Space	6,000,000
-Public Facilities	10,000,000
Relocation Costs	2,000,000
Job Training	6,500,000
Developer/Interest Subsidy	1,000,000
<b>TOTAL<sup>2,3</sup></b>	<b>\$ 47,000,000</b>

[1.] This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of the Board of Education's and the Park District's capital costs resulting from the Redevelopment Project, pursuant to a written agreement by the City accepting and approving such costs.

[2.] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.

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

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Redevelopment  
 Project And Plan)

*1997 Estimated Equalized Assessed Valuation  
 By Tax Parcel.*

Count	PINs	1997 EAV	Count	PINs	1997 EAV
	17-17-320-001-0000	Exempt	26	17-20-100-016-0000	55,762
	17-17-320-002-0000	Exempt	27	17-20-100-017-0000	3,339
	17-17-321-001-0000	Exempt	28	17-20-100-018-0000	3,339
	17-17-322-009-0000	Exempt	29	17-20-100-019-0000	38,869
	17-17-323-001-0000	Exempt	30	17-20-100-020-0000	47,100
	17-17-332-005-0000	Exempt	31	17-20-100-021-0000	9,391
	17-17-333-001-0000	Exempt	32	17-20-100-022-0000	3,382
	17-17-333-002-0000	Exempt	33	17-20-100-023-0000	3,382
	17-17-333-003-0000	Exempt	34	17-20-100-024-0000	20,170
0	17-17-333-004-0000	Exempt	35	17-20-100-042-0000	Exempt
1	17-17-333-005-0000	Exempt	36	17-20-100-043-0000	Exempt
2	17-17-333-006-0000	Exempt	37	17-20-100-044-0000	Exempt
3	17-17-334-003-0000	Exempt	38	17-20-100-045-0000	Exempt
4	17-17-334-004-0000	Exempt	39	17-20-100-046-0000	228,359
5	17-17-334-005-0000	Exempt	40	17-20-101-001-0000	3,378
5	17-20-100-006-0000	34,058	41	17-20-101-002-0000	9,700
7	17-20-100-007-0000	27,467	42	17-20-101-003-0000	7,672
3	17-20-100-008-0000	3,339	43	17-20-101-004-0000	17,608
0	17-20-100-009-0000	3,339	44	17-20-101-005-0000	44,087
0	17-20-100-010-0000	3,339	45	17-20-101-006-0000	47,639
1	17-20-100-011-0000	Exempt	46	17-20-101-007-0000	16,994
2	17-20-100-012-0000	3,339	47	17-20-101-008-0000	51,975
3	17-20-100-013-0000	3,339	48	17-20-101-009-0000	18,481
4	17-20-100-014-0000	5,009	49	17-20-101-010-0000	23,157
5	17-20-100-015-0000	20,077	50	17-20-101-011-0000	10,020

int	PINs	1997 EAV	Count	PINs	1997 EAV
	17-20-101-012-0000	7,884	84	17-20-103-002-0000	8,254
	17-20-101-039-0000	Exempt	85	17-20-103-003-0000	8,254
	17-20-101-040-0000	24,444	86	17-20-103-004-0000	10,794
	17-20-101-041-0000	Exempt	87	17-20-103-005-0000	10,959
	17-20-102-001-0000	164,898	88	17-20-103-006-0000	8,546
	17-20-102-002-0000	8,677	89	17-20-103-007-0000	10,626
	17-20-102-003-0000	8,426	90	17-20-103-008-0000	4,349
	17-20-102-004-0000	54,541	91	17-20-103-009-0000	4,349
	17-20-102-007-0000	6,722	92	17-20-103-010-0000	23,285
	17-20-102-008-0000	3,657	93	17-20-103-011-0000	127,668
	17-20-102-009-0000	3,657	94	17-20-103-012-0000	8,699
	17-20-102-010-0000	3,756	95	17-20-103-013-0000	4,349
	17-20-102-011-0000	Exempt	96	17-20-103-014-0000	10,170
	17-20-102-012-0000	3,479	97	17-20-103-015-0000	4,349
	17-20-102-013-0000	9,992	98	17-20-103-046-0000	Exempt
	17-20-102-014-0000	9,992	99	17-20-103-047-0000	Exempt
	17-20-102-015-0000	21,747	100	17-20-103-048-0000	104,464
	17-20-102-016-0000	6,818	101	17-20-103-050-0000	201,199
	17-20-102-017-0000	3,339	102	17-20-104-001-0000	Exempt
	17-20-102-018-0000	7,313	103	17-20-104-002-0000	13,858
	17-20-102-019-0000	15,857	104	17-20-104-003-0000	15,034
	17-20-102-020-0000	8,265	105	17-20-104-004-0000	13,235
	17-20-102-021-0000	25,464	106	17-20-104-022-0000	Exempt
	17-20-102-045-0000	Exempt	107	17-20-104-023-0000	Exempt
	17-20-102-046-0000	Exempt	108	17-20-104-024-0000	Exempt
	17-20-102-047-0000	Exempt	109	17-20-104-025-0000	Exempt
	17-20-102-048-0000	Exempt	110	17-20-104-026-0000	Exempt
	17-20-102-049-0000	Exempt	111	17-20-104-027-0000	Exempt
	17-20-102-050-0000	Exempt	112	17-20-104-047-0000	Exempt
	17-20-102-051-0000	Exempt	113	17-20-104-048-0000	Exempt
	17-20-102-052-0000	Exempt	114	17-20-104-049-0000	Exempt
	17-20-102-053-0000	23,492	115	17-20-104-050-0000	Exempt
	17-20-103-001-0000	49,083	116	17-20-105-009-0000	Exempt



Count	PINs	1997 EAV	Count	PINs	1997 EAV
7	17-20-105-010-0000	Exempt	151	17-20-106-060-0000	Exempt
3	17-20-105-011-0000	Exempt	152	17-20-106-061-0000	Exempt
3	17-20-105-020-0000	Exempt	153	17-20-107-046-0000	Exempt
0	17-20-105-021-0000	Exempt	154	17-20-108-001-0000	35,240
1	17-20-105-022-0000	Exempt	155	17-20-108-002-0000	2,802
2	17-20-105-023-0000	Exempt	156	17-20-108-003-0000	5,469
3	17-20-105-024-0000	Exempt	157	17-20-108-004-0000	5,469
4	17-20-105-025-0000	Exempt	158	17-20-108-005-0000	Exempt
5	17-20-105-026-0000	Exempt	159	17-20-108-022-0000	Exempt
6	17-20-105-027-0000	Exempt	160	17-20-108-023-0000	Exempt
7	17-20-105-028-0000	Exempt	161	17-20-108-044-0000	Exempt
8	17-20-105-029-0000	Exempt	162	17-20-108-045-0000	Exempt
9	17-20-105-030-0000	Exempt	163	17-20-109-001-0000	Exempt
0	17-20-105-031-0000	Exempt	164	17-20-109-002-0000	Exempt
.	17-20-105-032-0000	Exempt	165	17-20-109-003-0000	Exempt
2	17-20-105-033-0000	Exempt	166	17-20-109-004-0000	Exempt
3	17-20-105-034-0000	Exempt	167	17-20-109-005-0000	Exempt
4	17-20-105-035-0000	Exempt	168	17-20-109-006-0000	Exempt
5	17-20-105-036-0000	Exempt	169	17-20-109-007-0000	Exempt
6	17-20-105-037-0000	Exempt	170	17-20-109-008-0000	Exempt
7	17-20-105-038-0000	Exempt	171	17-20-109-009-0000	Exempt
8	17-20-105-039-0000	Exempt	172	17-20-109-010-0000	Exempt
9	17-20-105-040-0000	Exempt	173	17-20-109-011-0000	Exempt
0	17-20-105-041-0000	Exempt	174	17-20-109-012-0000	Exempt
1	17-20-105-042-0000	Exempt	175	17-20-109-013-0000	Exempt
2	17-20-105-043-0000	Exempt	176	17-20-109-014-0000	Exempt
3	17-20-105-044-0000	Exempt	177	17-20-109-015-0000	Exempt
4	17-20-105-045-0000	Exempt	178	17-20-109-016-0000	Exempt
5	17-20-105-047-0000	Exempt	179	17-20-109-017-0000	Exempt
6	17-20-105-048-0000	Exempt	180	17-20-109-018-0000	Exempt
7	17-20-106-056-0000	Exempt	181	17-20-109-019-0000	Exempt
8	17-20-106-057-0000	Exempt	182	17-20-109-020-0000	Exempt
9	17-20-106-058-0000	Exempt	183	17-20-109-021-0000	Exempt
	17-20-106-059-0000	Exempt	184	17-20-109-022-0000	Exempt

Count	PINs	1997 EAV	Count	PINs	1997 EAV
5	17-20-109-023-0000	Exempt	219	17-20-112-003-0000	4,158
6	17-20-109-024-0000	Exempt	220	17-20-112-004-0000	29,137
7	17-20-109-025-0000	Exempt	221	17-20-112-005-0000	15,195
8	17-20-109-026-0000	Exempt	222	17-20-112-006-0000	55,850
9	17-20-109-027-0000	Exempt	223	17-20-112-009-0000	845
0	17-20-109-028-0000	Exempt	224	17-20-112-010-0000	845
1	17-20-109-029-0000	Exempt	225	17-20-112-011-0000	845
2	17-20-109-030-0000	Exempt	226	17-20-112-012-0000	Exempt
3	17-20-109-031-0000	Exempt	227	17-20-112-013-0000	Exempt
4	17-20-109-032-0000	Exempt	228	17-20-112-037-0000	20,634
5	17-20-109-033-0000	Exempt	229	17-20-112-038-0000	Exempt
5	17-20-109-034-0000	Exempt	230	17-20-112-039-0000	Exempt
7	17-20-109-035-0000	Exempt	231	17-20-112-040-0000	Exempt
3	17-20-109-036-0000	Exempt	232	17-20-112-041-0000	Exempt
7	17-20-109-037-0000	Exempt	233	17-20-113-001-0000	Exempt
0	17-20-109-038-0000	Exempt	234	17-20-113-002-0000	Exempt
1	17-20-109-039-0000	Exempt	235	17-20-113-003-0000	Exempt
2	17-20-109-040-0000	Exempt	236	17-20-113-004-0000	Exempt
3	17-20-109-041-0000	Exempt	237	17-20-113-005-0000	Exempt
4	17-20-109-042-0000	Exempt	238	17-20-113-006-0000	Exempt
5	17-20-109-043-0000	Exempt	239	17-20-113-007-0000	Exempt
6	17-20-110-051-0000	Exempt	240	17-20-113-008-0000	Exempt
7	17-20-111-005-0000	Exempt	241	17-20-113-009-0000	Exempt
8	17-20-111-013-0000	Exempt	242	17-20-113-010-0000	Exempt
9	17-20-111-014-0000	Exempt	243	17-20-113-011-0000	Exempt
0	17-20-111-015-0000	Exempt	244	17-20-113-012-0000	Exempt
1	17-20-111-022-0000	Exempt	245	17-20-113-013-0000	Exempt
2	17-20-111-023-0000	Exempt	246	17-20-113-014-0000	Exempt
3	17-20-111-024-0000	Exempt	247	17-20-113-015-0000	Exempt
4	17-20-111-025-0000	Exempt	248	17-20-113-016-0000	Exempt
5	17-20-111-026-0000	Exempt	249	17-20-113-017-0000	Exempt
6	17-20-111-027-0000	Exempt	250	17-20-113-018-0000	Exempt
7	17-20-112-001-0000	10,396	251	17-20-113-019-0000	Exempt
8	17-20-112-002-0000	3,056	252	17-20-113-020-0000	Exempt

11/4/98

## REPORTS OF COMMITTEES

80575

Count	PINs	1997	Count	PINs	1997
		EAV			EAV
253	17-20-113-045-0000	Exempt	288	17-20-119-010-0000	Exempt
254	17-20-114-044-0000	Exempt	289	17-20-119-011-0000	Exempt
255	17-20-115-048-0000	Exempt	290	17-20-119-012-0000	Exempt
256	17-20-115-049-0000	Exempt	291	17-20-119-013-0000	Exempt
257	17-20-116-001-0000	Exempt	292	17-20-119-014-0000	Exempt
258	17-20-116-002-0000	14,060	293	17-20-119-015-0000	Exempt
259	17-20-116-003-0000	2,837	294	17-20-119-019-0000	Exempt
260	17-20-116-004-0000	18,584	295	17-20-119-020-0000	Exempt
261	17-20-116-005-0000	13,098	296	17-20-119-021-0000	Exempt
262	17-20-116-006-0000	2,837	297	17-20-119-022-0000	Exempt
263	17-20-116-008-0000	16,768	298	17-20-119-023-0000	Exempt
264	17-20-116-009-0000	Exempt	299	17-20-119-024-0000	Exempt
265	17-20-116-010-0000	2,837	300	17-20-119-025-0000	Exempt
266	17-20-116-011-0000	10,375	301	17-20-119-026-0000	Exempt
267	17-20-116-046-0000	Exempt	302	17-20-119-027-0000	Exempt
268	17-20-116-047-0000	Exempt	303	17-20-119-028-0000	Exempt
269	17-20-116-048-0000	44,839	304	17-20-119-029-0000	Exempt
270	17-20-116-049-0000	1,730	305	17-20-119-030-0000	Exempt
271	17-20-116-050-0000	4,306	306	17-20-119-031-0000	Exempt
272	17-20-116-051-0000	41,177	307	17-20-119-032-0000	Exempt
273	17-20-117-050-0000	Exempt	308	17-20-119-033-0000	Exempt
274	17-20-117-051-0000	Exempt	309	17-20-120-001-0000	Exempt
275	17-20-118-024-0000	Exempt	310	17-20-121-022-0000	Exempt
276	17-20-118-025-0000	Exempt	311	17-20-121-023-0000	Exempt
277	17-20-118-026-0000	Exempt	312	17-20-121-033-0000	Exempt
278	17-20-118-027-0000	Exempt	313	17-20-121-034-0000	Exempt
279	17-20-119-001-0000	Exempt	314	17-20-121-035-0000	Exempt
280	17-20-119-002-0000	Exempt	315	17-20-121-036-0000	Exempt
281	17-20-119-003-0000	Exempt	316	17-20-121-040-0000	Exempt
282	17-20-119-004-0000	Exempt	317	17-20-122-040-0000	Exempt
283	17-20-119-005-0000	Exempt	318	17-20-122-041-0000	Exempt
284	17-20-119-006-0000	Exempt	319	17-20-123-037-0000	Exempt
285	17-20-119-007-0000	Exempt	320	17-20-124-001-0000	Exempt
286	17-20-119-008-0000	Exempt	321	17-20-124-002-0000	Exempt
	17-20-119-009-0000	Exempt	322	17-20-124-003-0000	Exempt

Count	PINs	1997 EAV	Count	PINs	1997 EAV
323	17-20-124-004-0000	Exempt	364	17-20-127-012-0000	1,405
324	17-20-124-005-0000	Exempt	365	17-20-127-013-0000	1,405
325	17-20-124-006-0000	Exempt	366	17-20-127-014-0000	1,405
326	17-20-124-007-0000	Exempt	367	17-20-127-015-0000	1,405
327	17-20-124-008-0000	Exempt	368	17-20-128-018-0000	21,783
328	17-20-124-009-0000	Exempt	369	17-20-128-020-0000	562,827
329	17-20-124-010-0000	Exempt	370	17-20-128-021-0000	112,594
330	17-20-124-011-0000	Exempt	371	17-20-128-022-0000	168,901
331	17-20-124-012-0000	Exempt	372	17-20-129-001-0000	10,964
332	17-20-124-013-0000	Exempt	373	17-20-129-002-0000	8,076
333	17-20-124-014-0000	Exempt	374	17-20-129-003-0000	4,171
334	17-20-124-019-0000	Exempt	375	17-20-200-014-0000	Exempt
335	17-20-124-020-0000	Exempt	376	17-20-200-062-0000	Exempt
336	17-20-125-001-0000	38,530	377	17-20-200-063-0000	Exempt
337	17-20-125-002-0000	7,085	378	17-20-200-064-0000	Exempt
338	17-20-125-003-0000	6,470	379	17-20-201-021-0000	Exempt
339	17-20-125-004-0000	6,470	380	17-20-201-026-0000	Exempt
340	17-20-125-005-0000	6,470	381	17-20-201-027-0000	Exempt
341	17-20-125-006-0000	6,470	382	17-20-201-029-0000	Exempt
342	17-20-125-007-0000	7,650	383	17-20-201-030-0000	Exempt
343	17-20-125-008-0000	6,470	384	17-20-201-032-0000	Exempt
344	17-20-125-009-0000	6,696	385	17-20-201-033-0000	Exempt
345	17-20-125-010-0000	10,319	386	17-20-201-034-0000	Exempt
346	17-20-125-011-0000	21,324	387	17-20-201-035-0000	Exempt
347	17-20-126-001-0000	22,847	388	17-20-201-036-0000	Exempt
348	17-20-126-002-0000	14,645	389	17-20-202-024-0000	Exempt
349	17-20-126-003-0000	26,006	390	17-20-202-025-0000	Exempt
350	17-20-126-004-0000	71,883	391	17-20-202-026-0000	Exempt
351	17-20-126-005-0000	Exempt	392	17-20-202-027-0000	Exempt
352	17-20-126-006-0000	Exempt	393	17-20-202-028-0000	Exempt
353	17-20-127-001-0000	631,871	394	17-20-202-029-0000	Exempt
354	17-20-127-002-0000	1,405	395	17-20-202-030-0000	Exempt
355	17-20-127-003-0000	1,405	396	17-20-202-031-0000	Exempt
356	17-20-127-004-0000	1,405	397	17-20-202-032-0000	Exempt
357	17-20-127-005-0000	1,405	398	17-20-202-033-0000	Exempt
358	17-20-127-006-0000	1,405	399	17-20-202-034-0000	Exempt
359	17-20-127-007-0000	1,405	400	17-20-202-035-0000	Exempt
360	17-20-127-008-0000	1,405	401	17-20-202-036-0000	Exempt
361	17-20-127-009-0000	1,405	402	17-20-202-037-0000	Exempt
362	17-20-127-010-0000	1,405	403	17-20-202-038-0000	Exempt
363	17-20-127-011-0000	1,405	404	17-20-202-049-0000	Exempt

11/4/98

## REPORTS OF COMMITTEES

80577

		1997			1997
Count	PINs	EAV	Count	PINs	EAV
405	17-20-202-053-0000	Exempt	446	17-20-220-062-0000	10,787
406	17-20-202-054-0000	Exempt	447	17-20-220-065-0000	751,728
407	17-20-202-055-0000	Exempt	448	17-20-500-007-0000	Exempt
408	17-20-202-056-0000	Exempt	449	17-20-500-023-0000	Exempt
409	17-20-202-057-0000	Exempt	<b>Totals</b>		<b>7,257,061</b>
410	17-20-207-045-0000	Exempt			
411	17-20-208-041-0000	Exempt			
412	17-20-209-022-0000	710,555			
413	17-20-210-002-0000	Exempt			
414	17-20-210-003-0000	Exempt			
415	17-20-210-004-0000	Exempt			
416	17-20-210-005-0000	Exempt			
417	17-20-210-006-0000	Exempt			
418	17-20-210-007-0000	Exempt			
419	17-20-210-008-0000	Exempt			
420	17-20-210-009-0000	Exempt			
421	17-20-210-010-0000	Exempt			
422	17-20-210-017-0000	Exempt			
423	17-20-210-018-0000	Exempt			
424	17-20-210-036-0000	Exempt			
425	17-20-210-039-0000	Exempt			
426	17-20-210-040-0000	Exempt			
427	17-20-210-041-0000	Exempt			
428	17-20-211-037-0000	356,399			
429	17-20-211-038-0000	Exempt			
430	17-20-211-040-0000	Exempt			
431	17-20-212-001-0000	25,194			
432	17-20-212-002-0000	8,172			
433	17-20-212-003-0000	8,873			
434	17-20-212-004-0000	4,545			
435	17-20-212-005-0000	4,051			
436	17-20-212-006-0000	5,824			
437	17-20-212-007-0000	4,807			
438	17-20-212-008-0000	3,625			
439	17-20-212-009-0000	4,852			
440	17-20-213-088-0000	365,463			
441	17-20-213-090-0000	387,621			
442	17-20-213-092-0000	Exempt			
443	17-20-214-016-0000	139,141			
444	17-20-214-020-0000	282,570			
445	17-20-220-061-0000	188,250			

Figure 1.  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

Project Area Boundary Map.

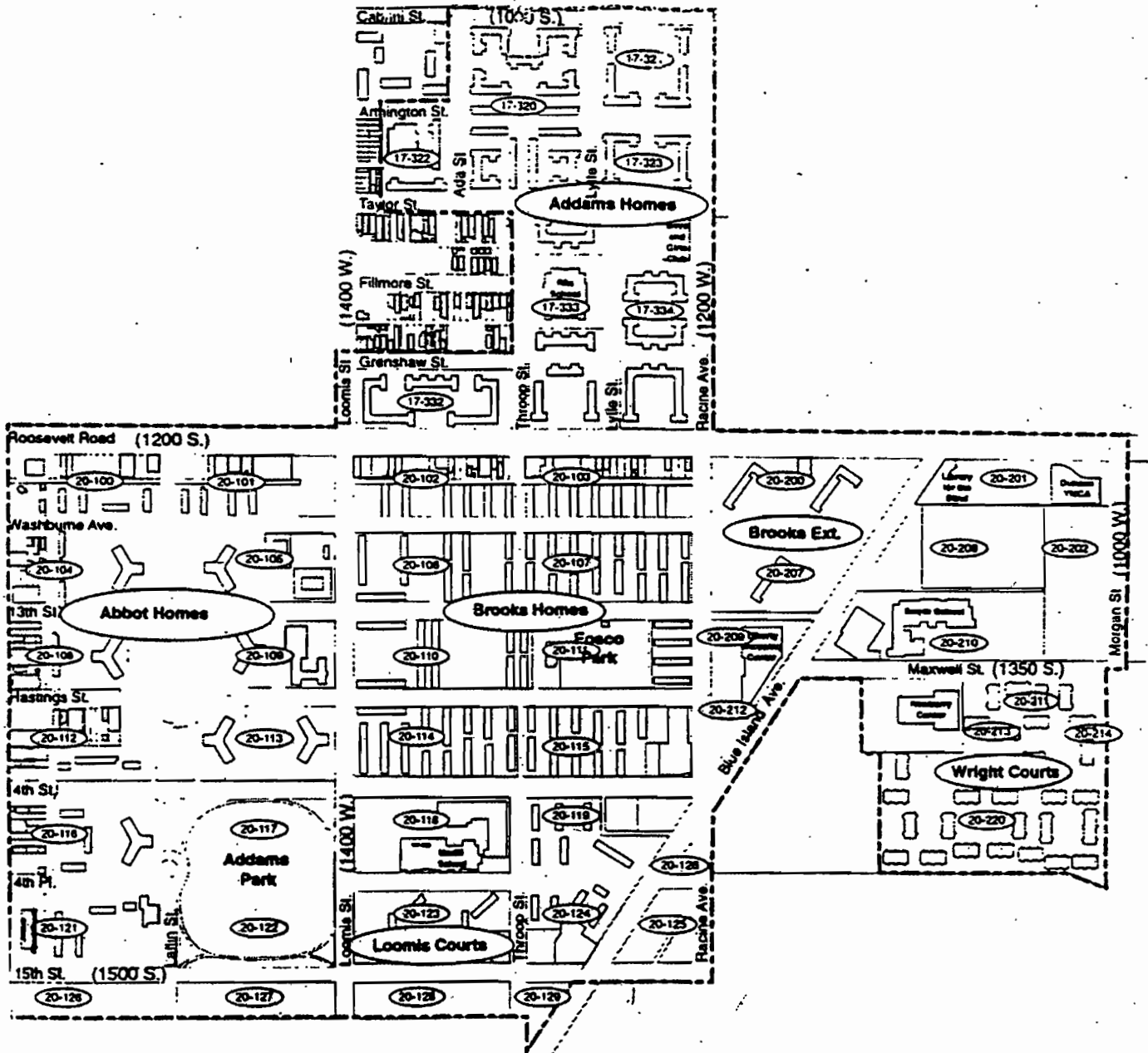


Figure 2.  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

Proposed Land-Use Plan.

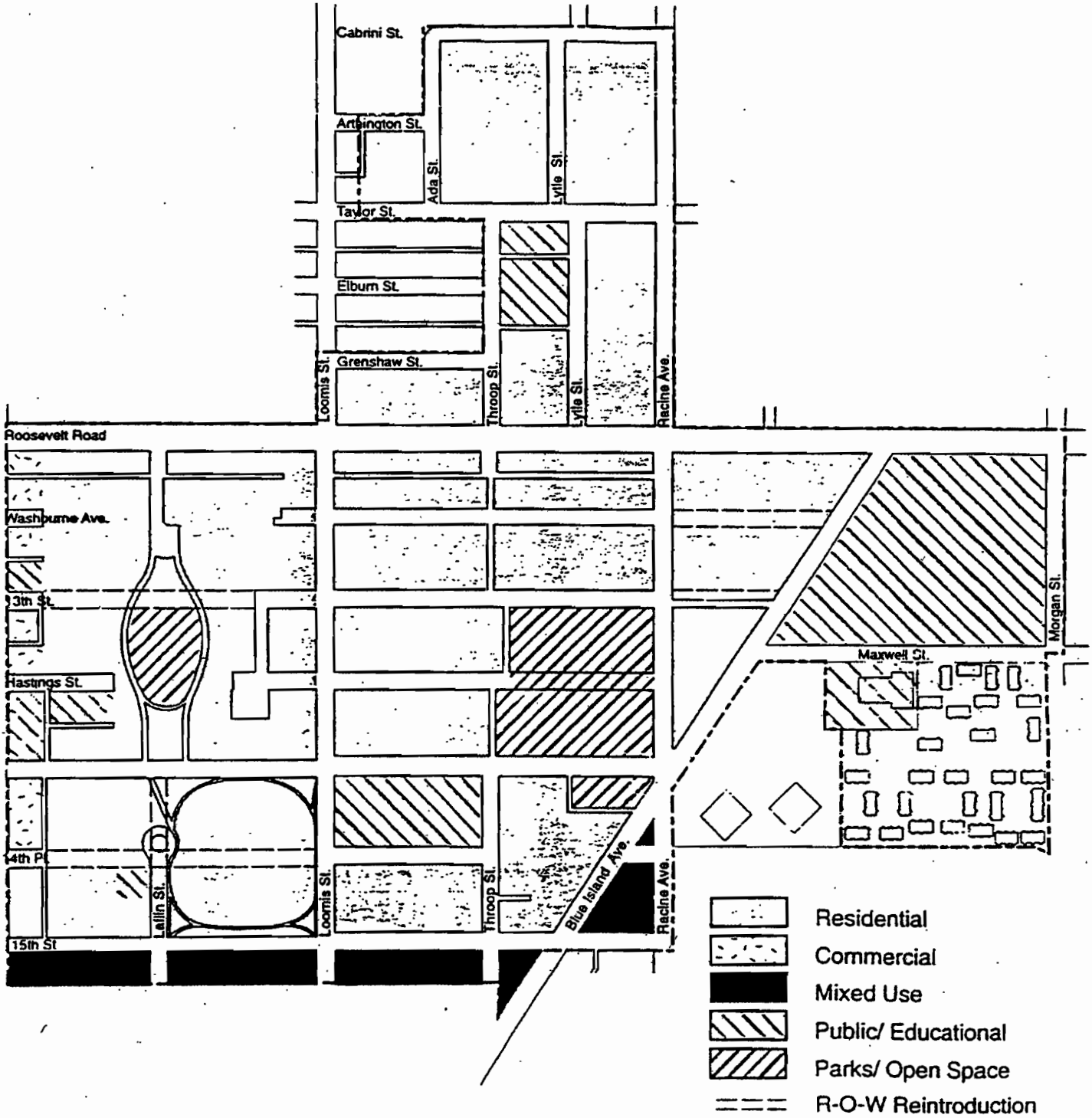


Figure 3:  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

Planning Subareas ...

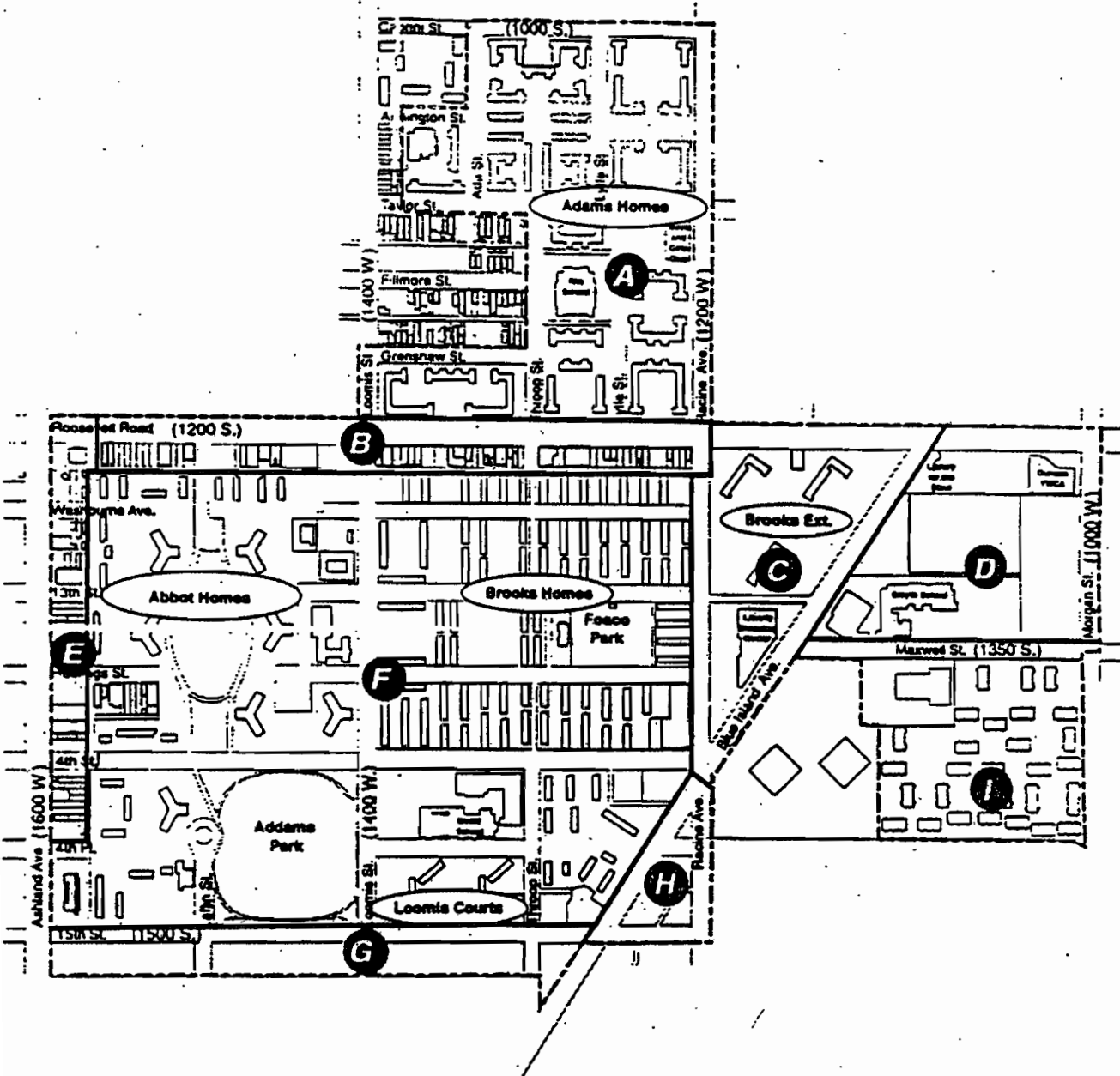
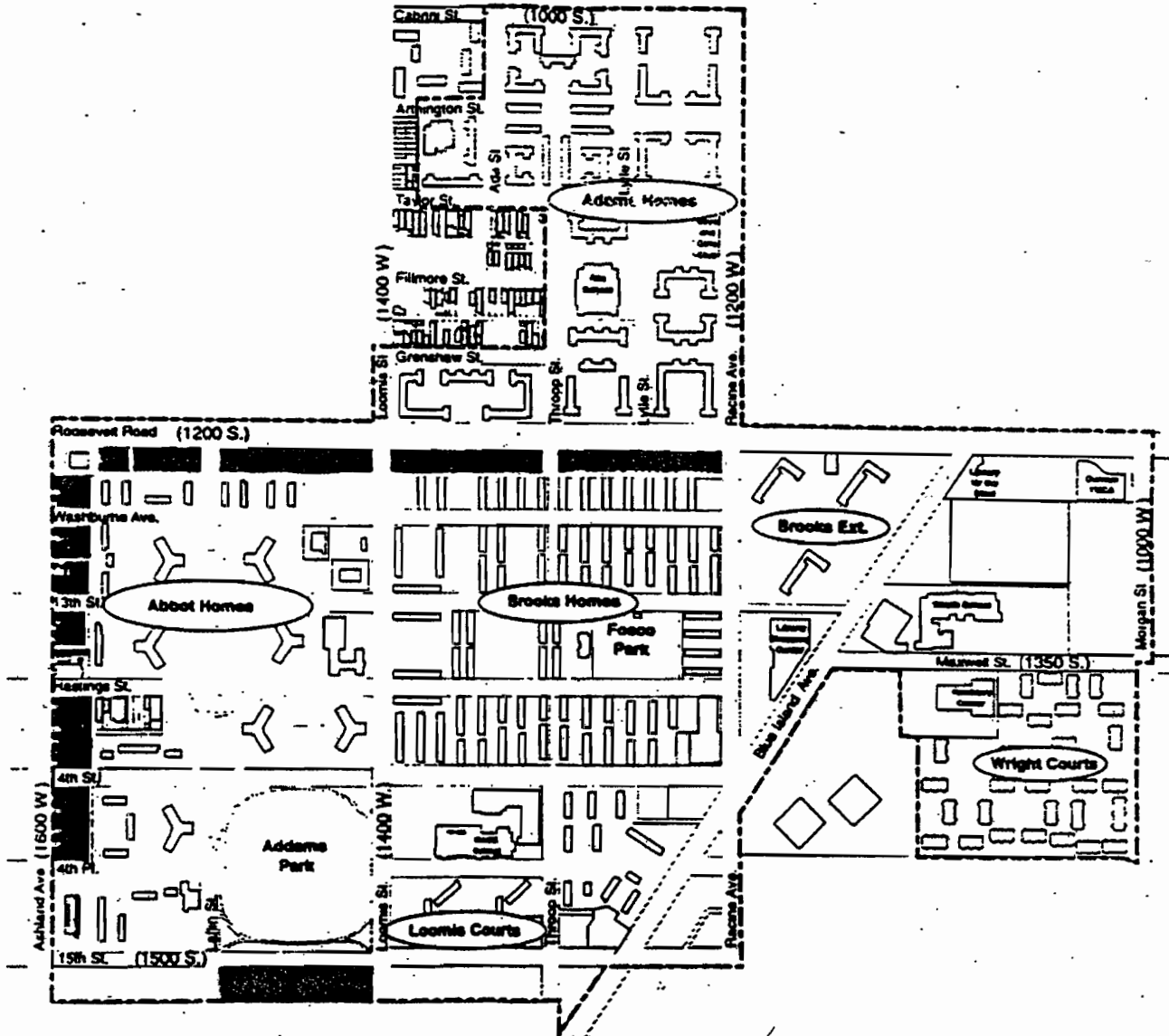




Figure 4.  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

Acquisition Plan.



(Sub)Exhibit III  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

*Eligibility Study.*

## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the Roosevelt/Racine Redevelopment Project Area (the "Project Area") qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Ray/Dawson, P.C., CHA staff and Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 211.6 acres located one and one half miles southwest of the central business district of Chicago, Illinois.

The Project Area is an improved area that encompasses 47 tax blocks and 449 tax parcels of various sizes. The Project Area is generally bounded by portions of Cabrini Street and Roosevelt Road on the north; portions of Racine Street, Morgan Street and Blue Island Avenue on the east; 15th Street and 14th Place on the south; and a portion of Ashland Avenue and Loomis Street on the west.

The boundaries of the Project Area are shown on Figure 1, *Boundary Map*. A more detailed description of the Project Area is presented in Section II, *The Roosevelt/Racine Project Area*.

Figure 2, *Current Generalized Land Use*, demonstrates a generalized view of current land use patterns within the Project Area. This figure is generalized and does not constitute the totality of land uses on a parcel by parcel basis within the Project Area.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "conservation area" means 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 layout; depreciation of physical maintenance; or lack of community planning--is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsections (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of blight, this evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be conservation areas or blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Project Area is found to be eligible as a blighted area within the definitions set forth in the Act. Specifically:

- Of the 14 blighting factors set forth in the Act for "improved" blighted areas, 10 are present in the Project Area. Nine factors (age, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent and one factor (dilapidation) is present to a limited extent. When assessing whether a factor is present to a major or minor extent throughout the Project Area as a whole, the scope and severity of that factor is considered. Therefore the determination of major or minor extent is not simply a determination of a majority or minority of blocks with the factor present to a major or minor extent.
- The factors present are reasonably distributed throughout the Project Area.

- All 47 blocks within the Project Area show the presence of blight factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

## I. BASIS FOR REDEVELOPMENT

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

1. That there exists in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

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

### ELIGIBILITY OF A BLIGHTED AREA

A blighted area may be either improved or vacant. If the area is improved (*e.g.*, with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

- Age
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage

- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.
- The area consists of an unused quarry or unused quarries.
- The area consists of unused rail yards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts upon real property which is included in, or is in proximity to, any improvement on real property which has been in existence for at least five years and which substantially contributes to such flooding.
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first bullet point listed above, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

#### **ELIGIBILITY OF A CONSERVATION AREA**

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- 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 lay-out
- Depreciation of physical maintenance
- Lack of community planning

While the Act defines a blighted area and a conservation area, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to determine that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be considered present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

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

## II. THE ROOSEVELT/RACINE PROJECT AREA

The Project Area is generally bounded on the north by sections of Cabrini Street and Roosevelt Road; on the east by Racine Avenue, Morgan Street and Blue Island Avenue; on the south by 15th Street and 14th Place; and on the west by Ashland Avenue and Loomis Street.

In total, the Project Area contains 257 buildings, 47 tax blocks, 449 tax parcels of various sizes and encompasses 211.6 acres of land. The acreage is distributed as indicated in Table 1 below.

The Project Area is dominated by the ABLA Public Housing Areas. ABLA is an acronym for five distinct housing developments which include: Jane Addams Homes, Robert Brooks Homes, Brooks Extension, Loomis Courts, Grace Abbott Homes and the Jones Senior Apartments. Another large housing area within the Project Area is the Barbara Jean Wright Courts located east of Blue Island Avenue, consisting of 272 units in 27 buildings of varying size. In addition to these housing developments, commercial frontage on Ashland Avenue, between 15th Street and Roosevelt Road and along Roosevelt Road, between Ashland Avenue and Loomis Street is included. Three blocks of industrial activity along 15th Street, between Ashland Avenue and Throop Street is also within the Project Area.

**Table 1: Acreage Distribution  
Roosevelt/Racine Project Area**

<u>Area</u>	<u>Land Area</u>	<u>R.O.W</u>	<u>Total</u>
• Addams Homes	26.6	11.8	38.4
• Brooks Homes	24.8	6.8	31.6
• Brooks Extension	7.6		7.6
• Abbott Homes	41.2	3.9	45.1
• Loomis Courts	3.6		3.6
• Jones Sr. Apartments	.8		.8
Total CHA Housing Areas	104.6	22.5	127.1
• Barbara Jean Wright Courts	13.9		13.9
• Ashland/Roosevelt Frontage	6.9	2.4	9.3
• 15th Street Industrial Frontage	4.9	.4	5.3
• Other commercial/public areas	21.8		21.8
• Remaining streets and alleys		34.2	34.2
<b>Area Total</b>	<b>152.1</b>	<b>59.5</b>	<b>211.6</b>

The Project Area includes the five ABLA housing developments, Barbara Jean Wright Courts and the commercial and industrial frontage of Ashland Avenue, Roosevelt Road and 15th Street. The Project Area is characterized by conditions which may be some of the most serious evidence of urban decay in this portion of the City or any comparable area.

The ABLA housing developments range in age from 60 to 38 years while the Barbara Jean Wright Courts are approximately 25 years old. They suffer from years of deferred maintenance, obsolete mechanical systems excessive maintenance costs, vacancies, vandalism, deterioration, uninhabitable and unsanitary conditions and other factors. The combination of which has impacted the area, creating the current conditions.

The super-blocks within the ABLA portion of the Project Area display an excessive density of dwelling units within buildings as well as a close placement of buildings within blocks. This contributes to problems caused by the improper layout of blocks and buildings; for example, a lack of recreational space and adequate vehicle parking space. There is no recreational space within the Barbara Jean Wright Courts. The commercial frontage also contains similar characteristics including: aging buildings, vacancies, deterioration, debris around properties and conflicting commercial and residential activity in close proximity.

While there are parcels within the Project Area that do not contain buildings they are not devoid of improvements and exhibit blighting factors just as those parcels with buildings present.

### III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS

An analysis was conducted of each of the blighting eligibility factors listed in the Act to determine which are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP, Ray/Dawson, P.C. and CHA Staff included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;
7. Analysis of building floor area and site coverage;
8. Analysis of sample building code violations issued to CHA by the City; and
9. Review of previously prepared plans, facility condition studies and data.

Figure 3 presents the survey form used to record building conditions.

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

The following statement of findings is presented for each blight factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described. What follows is the summary evaluation of the 14 factors for an "improved" blighted area. The factors are presented in order of their listing in the Act.



### A. AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature, moisture and level of maintenance over an extended period of years, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings. Structures within the Project Area include some of the oldest buildings in the City, many of which were built between the 1890's and the 1920's along the commercial corridors of Roosevelt Road and Ashland Avenue. The ABLA housing developments date back to 1938 for the Addams Homes which was the first public assisted housing development in the city. The high rise buildings in the other housing areas were built as recently as the 1960's.

Of the 257 buildings within the Project Area, 217, or 84%, are 35 years of age or older. Age as a factor of blight is present to a major extent in 37 of the 41 blocks in the Project Area containing buildings.

Figure 4, *Age*, illustrates the location of all buildings in the Project Area which are more than 35 years of age.

### B. DILAPIDATION

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated" and "dilapidation" as

Dilapidate, "... to become or cause to become partially ruined and in need of repairs, as through neglect."

Dilapidated, "... falling to pieces or into disrepair; broken down; shabby and neglected."

Dilapidation, "... dilapidating or becoming dilapidated; a dilapidated condition."

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based an exterior inspection of all buildings undertaken during December of 1997 and July of 1998. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area.

## 1. Building Components Evaluated.

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

### Primary Structural

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

### Secondary Components

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

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

## 2. Building Rating Classifications

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

### Sound

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

### Deficient

Buildings which contain defects (loose or missing material or holes and cracks) over either limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack of or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas would require major upgrading and significant investment to correct.

### Dilapidated

Buildings which contain major defects in primary and secondary components over widespread areas. The defects are so serious and advanced that the building is considered to be substandard, requiring improvements or total reconstruction. Corrective action may not be feasible.

Of the 257 buildings within the Project Area, 11, or 4% are in a substandard (dilapidated) condition. The factor of dilapidation is present to a major extent in 1 block and to a limited extent in 6 blocks of the 41 blocks containing buildings.

It should be noted that the various building rating classifications, i.e. sound, deficient to a minor or major extent or substandard (dilapidated) is based on the exterior survey of structures and property. Typically, in an exterior survey, components which are visible are limited to exterior walls, roofs (not including flat roofs) and secondary components such as windows, doors, porches, steps, chimneys, fascias, gutters and downspouts, etc. Foundations can only be visible over the limited area above grade in some buildings. A detailed interior, exterior survey where many more components are visible, including mechanical systems, would reveal many more defects in the buildings surveyed. Building conditions within the ABLA developments based on interior analysis along with exterior conditions would indicate an increase in all classifications to a higher rating, i.e. minor to major deficient and major deficient to substandard. A review of facility inspection reports and code violation documents for the ABLA developments indicate that interior components and mechanical systems are severely deteriorated and or dilapidated. While these conditions may be present, dilapidation as a factor was based only on the severe conditions of limited visible exterior components of each structure that in combination and criteria resulted in a substandard (dilapidated) rating.

Figure 5, *Dilapidation*, illustrates the location of substandard buildings in the Project Area.

### C. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

#### Functional Obsolescence

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

#### Economic Obsolescence

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

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

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

### **1. Obsolete Building Types**

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result. The presence of obsolete buildings can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Characteristics of obsolete buildings include:

- Small, buildings with limited space for existing or long-term utility, unsuitable for expansion.
- Single purpose buildings of limited size, designed for a specific use which are not easily adaptable or suited to other uses. Single purpose buildings which have been added on to or converted to accommodate other activity.
- Multi-story, mixed-use, commercial buildings with store fronts converted to apartments.
- Multi-story industrial buildings with inefficient or outdated mechanical systems; including a lack of central air conditioning, limited lighting and small elevators or the lack of freight elevators.
- Commercial buildings with triangular shapes which result in narrow store fronts with limited depth.
- Older school buildings with high ceilings and single pane windows, resulting in costly upkeep and high energy loss.
- Three and four story residential buildings lacking elevators.

Thirty-eight of the 257 buildings in the Project Area are impacted by obsolescence. Buildings characterized by obsolescence are limited in their efficient or economic use consistent with contemporary standards.

## 2. Obsolete Platting and Layout

The Project Area was originally platted prior to the turn of the century. The diagonal alignment of Blue Island Avenue contributed to an inconsistent pattern of block sizes and shapes resulting in parcels of varying configurations and depth. Blocks along Roosevelt Road and Ashland Avenue are the remaining frontage of the original blocks which formed the typical street and block grid pattern and still contain the original platting of narrow 25 foot lots. The subsequent development of the super-blocks created for public housing has resulted in a fragmented pattern of blocks with dead-end streets, reduced interior circulation and isolation of these large block areas from the surrounding neighborhood.

Overall, platting, block layout and configuration and the high density building placement of the Project Area is not consistent with modern day standards for residential and commercial development.

### Conclusion

Obsolescence, as evidenced by the obsolete buildings and obsolete platting and layout is present to a major extent in 27 blocks and to a limited extent in 18 of the 47 blocks.

Figure 6, *Obsolescence*, illustrates the location of obsolete buildings and obsolete platting and layout in the Project Area.

## D. DETERIORATION

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

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (*e.g.*, doors, windows, fire escapes, gutters and downspouts, fascia materials, etc.), and defects in primary building components (*e.g.*, foundations, exterior walls, floors, roofs, etc.), respectively.

It should be noted that all buildings and site improvements classified as dilapidated are also deteriorated.

### **Deterioration of Buildings**

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Of the 257 buildings in the Project Area (including dilapidated buildings) 238, or 93%, are classified as exhibiting deterioration.

Table 2, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

### **Deterioration of Parking Areas, Alleys, Streets and Sidewalks**

Field surveys were conducted to identify the condition of streets, alleys, curbs, gutters and sidewalks in the Project Area. All of the alleys in the blocks fronting Roosevelt Road and Ashland Avenue contain deteriorated surfaces with pot holes, broken and cracked pavement with weeds and debris. Interior walks within the Abbott and Brooks housing development are deteriorated with broken, sunken, or missing sections, and cracked surfaces. Poor, irregular and deteriorated street pavement exists along 15th Street near the industrial properties. Broken pavement sections are present in portions of Maxwell street and parking lots within the Barbara Jean Wright Courts contain sections of settling pavement with standing water during rain periods.

Deterioration as a factor is present to a major extent in 40 blocks and to a limited extent in 6 blocks of the total 47 blocks within the Project Area.

Figure 7, *Deterioration*, illustrates deterioration within the Project Area.

### **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

No illegal uses of individual structures were evident from the field surveys conducted.

**Table 2: Summary of Building Deterioration**

Survey Block* No.	No. Of Buildings	Building Condition		
		Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
100	12	3	7	2
101	9	--	8	1
102	15	1	12	2
103	14	2	11	1
104	9	2	7	--
105	4	2	2	--
106	9	--	9	--
107	16	--	16	--
108	8	--	8	--
109	2	--	2	--
110	10	--	10	--
111	6	1	5	--
112	10	--	10	--
113	2	--	2	--
114	14	--	14	--
115	12	1	11	--
116	7	--	4	3
118	2	--	2	--
119	6	--	--	--
121	6	1	5	--
123	2	--	2	--
124	5	--	5	--
126	1	--	1	--
127	1	--	1	--
128	2	1	--	1
200	4	--	4	--
201	2	1	1	--
207	1	--	1	--
209	1	--	1	--

Survey Block No.	No. Of Buildings	Building Condition		
		Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
210	2	2	--	--
211	4	1	3	--
213	6	--	6	--
214	3	--	3	--
220	15	--	15	--
320	13	--	13	--
321	4	--	4	--
322	3	--	3	--
323	2	--	2	--
332	3	--	2	1
333	6	--	6	--
334	4	1	3	--
<b>Project Area Total</b>	<b>257</b>	<b>19</b>	<b>227</b>	<b>11</b>
<b>Percent</b>	<b>100.0</b>	<b>7.4</b>	<b>88.3</b>	<b>4.3</b>

\* Blocks with buildings



## **F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards as a factor of blight as defined in the Act, is evidenced by structures which do not meet the applicable subdivision, building, housing, property maintenance, fire, or other governmental codes. The principal purposes of such codes are to require buildings to be constructed so that they will be strong enough to support the loads expected, to be safe against fire and similar hazards, and to establish other minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

A sample of recent code violations incurred by CHA properties within the Project Area was analyzed so as to classify the type of violation. The categories are listed below, by sub-division.

### **Addams Homes**

- Fire damage on kitchen wall and base cabinets.
- Holes, peeling paint, loose, broken and missing plaster on interior walls and ceilings
- Broken doors and missing door hardware.
- Broken and missing window panes.
- Broken and missing floor tile.
- Accumulation of refuse and debris.
- Defective plumbing, broken faucets, leaking pipes and drains, bathtub water leaks.
- Infestation of cockroaches and mice.
- Missing smoke detectors.
- Defective lead-based paint.
- Gas, smoke and sewage odors.
- Stagnant water and raw sewage in basement areas.

### **Abbott Homes**

- Open masonry joints in chimneys.
- Rotting and broken window sills.
- Exterior stairs with missing parts, handrails, broken concrete.
- Defective fencing and service walks.
- Doors loose and out of openings, missing hardware.
- Broken, missing, or torn screens on storm doors and windows
- Missing dead-bolt locks.
- Windows with missing putty, broken frames and missing hardware
- Missing or broken floor tile.
- Broken or missing light fixtures.
- Cockroach and mice infestation.
- Defective kitchen and bath faucets, defective commode flush tanks.
- Disconnected downspouts.

**Abbott Homes (con't)**

- Broken fascias, soffit and water leaks.
- Defective radiator valves.
- Doors without peep holes.
- Missing smoke alarms.

**Brooks Homes**

- Obstructions and debris in front of exits.
- Loose, peeling paint and plaster on interior walls and ceilings.
- Broken and loose doors.
- Inadequate light and fixtures in common areas.
- Large holes and cracks in interior walls and ceilings.
- Broken and missing floor tile.
- Broken and missing window panes and inoperable windows.
- Inadequate doors, missing screens and door closing devices.
- Infestation of rats, cockroaches and mice., need to seal off rodent holes.
- High weeds and tree growth (vegetation) on roof.
- Faucet, pipes and radiator leaks, loose plumbing fixtures.
- Clogged pipe drains.
- Missing smoke detectors.
- Roof leaks and seepage.
- Loose or broken concrete canopies at door entries

**Brooks Extension**

- Obstructed passageways
- Abandoned refrigerators
- Missing self-closers on doors.
- Broken interior surfaces on walls and ceilings
- Loose or broken flooring.
- Loose windows, missing glazing and hardware.
- Broken exterior service walks.
- Leaking roofs.
- Infestation of mice and cockroaches.
- Defective smoke alarms.
- Inadequate hot and cold water pressure and supply.
- Missing refuse chute doors.
- Leaking and broken plumbing fixtures and piping.
- Missing or torn window screens.
- Exit signs not illuminated.

### **Barbara Jean Wright Courts**

City code violation records for this private development did not consist of the level of detail as those of the ABLA developments. City records did indicate violations within 8 of the 27 residential buildings. Comparing the type of defects of the ABLA properties with those of the Jean Wright Courts visible during the exterior surveys, however, would include similar code related defects as follows:

- Loose, mildewed and deteriorated vertical wood siding.
- Loose, warped and paint-blistered fascia boards.
- Cracked window panes, windows without screens.
- Curled and brittle roofing shingles, roofing which has reached it's material life.
- Loose and deteriorated wood siding on roof dormers over stair wells.
- Blistered gutters and downspouts, missing bottom sections of downspouts and splash blocks
- Masonry damage at service doors.
- Masonry cracks from settlement due to erosion at foundations caused by improper downspouts.
- Settled concrete steps and sidewalk sections.

The factor of structures below minimum code standards is present to a major extent in 38 of the 41 blocks containing buildings. Figure 7 illustrates the location of buildings below minimum code standards.

### **G. EXCESSIVE VACANCIES**

Excessive vacancies refers to the presence of buildings or sites which are either totally unoccupied or not fully utilized. These buildings and sites exert an adverse influence on the surrounding area because of the frequency or duration of vacancies. Excessive vacancies include properties for which there is little expectation of future occupancy or utilization.

Excessive building vacancies are found throughout major portions of the Project Area. Vacancies include buildings which are entirely vacant and buildings with vacant floor areas. Vacancies are prevalent in most of the buildings fronting Ashland Avenue and Roosevelt Road. According to CHA, the vacancy rate of the ABLA Homes, as a whole, is approaching 50%. Totally vacant buildings are dominant in the Addams and Brooks Homes areas.

Information regarding vacancies in individual buildings was obtained from exterior building surveys conducted by TPAP, Ray/Dawson, P.C. and CHA staff. Vacancies were determined on a combination of shuttered or gutted buildings, boarded windows in units, obvious vacant units, or areas with signs advertising space available. Documents received from CHA also discussed the vacancies within each housing development area. It should be noted that along the Roosevelt Road and Ashland Avenue commercial corridors businesses which appear to be within buildings may not exist either due to old signage, for rent or lease signs, or padlocked doors, including security gates. There may also be businesses which are seasonal or temporary, or businesses which operate for a limited time during the day. Vacancies were judged by visible conditions of the building store fronts and obvious signs of activity at the time the survey was being conducted.

Of the total 257 buildings, 79, or 31% are totally vacant and 60 buildings are partially vacant. Vacant ABLA buildings include 68 which are totally vacant and 50 which are partially vacant. Vacancies within the Barbara Jean Wright Court apartments are limited to 2 percent. In combination, 139 buildings, or 54.1 percent of the buildings in the major portion of the area are totally or partially vacant.

Excessive vacancies as a factor is present to a major extent in 19 blocks and to a limited extent in 11 of the 41 blocks containing buildings.

Figure 9, *Excessive Vacancies*, illustrates buildings in the Project Area which are 20 percent or more vacant.

#### **H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequate regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

No conditions of overcrowding of structures and community facilities have been documented as part of any exterior or interior surveys undertaken within the Project Area.

#### **I. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes, and adequate room area to window area ratios; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Review of documents received from CHA regarding code violations indicates that items such as improper refuse disposals, inoperable incinerators, inoperable windows and screens, inadequate plumbing and related defects are widespread throughout the housing areas. Stagnant water in basements and crawlspaces and infestations of rodents and insects are also prevalent. Steam pipes that deliver heat to many dwelling units throughout the development are inadequate. Leaking valves and broken sections of pipe are common.

While these conditions exist, the factor of lack of ventilation, light, or sanitary facilities is not sufficiently documented as part of the exterior surveys conducted for the Project Area.

#### **J. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which serve a property or area. Utilities include, but are not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers and natural gas.

No determination as to the adequacy, or inadequacy of the existing utilities serving the Project Area has been documented as part of the surveys and analyses undertaken within the Project Area.

### **K. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on a parcel, or located on parcels of inadequate size or irregular shape in relation to present-day standards for health and safety. The result is insufficient light and air, increased threat of fires due to the close proximity of buildings, lack of adequate access to a public right-of-way, lack of required off-street parking, and inadequate provisions for loading and service. Excessive land coverage can have an adverse, or blighting, effect on nearby development.

The overall dwelling unit density throughout the five ABLA developments is 37.2 units per acre. This would be considered excessive according to modern residential development standards for this type of housing. Throughout most of the Abbott, Addams and Brooks Homes, buildings are placed in close proximity to each other with no provisions for interior green areas or storage. There are very limited off-street parking areas. Along the Ashland Avenue and Roosevelt Road corridors there are properties where buildings cover most of the sites, allowing no provisions for off-street parking, loading or service.

The factor of excessive land coverage is present to a major extent in 6 blocks and to a limited extent in 8 of the 47 total blocks.

Figure 10, *Excessive Land Coverage*, illustrates these properties within the Project Area.

### **L. DELETERIOUS LAND-USE OR LAYOUT**

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

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels including the building's relationship to other nearby buildings.

**Incompatible Uses**

Along Ashland Avenue within the Project Area, all five blocks contain residential buildings adjacent to incompatible commercial properties.

**Improper Layout and Platting**

Five blocks within the Addams Homes development are very large blocks (super-blocks) with limited provisions for parking, open space, play areas or proper vehicular access. The Abbott area contains two super-blocks with similar problems. The Brooks Homes blocks are linear with excessive lengths and a high density of low rise buildings. Four tax blocks were combined into a super-block for the Barbara Jean Wright Courts accessible by one interior cul-de-sacced 14th Street. Several other large super-blocks along Blue Island Avenue also lack the proper access, parking and open space provisions for the residents. The entire area was developed by eliminating the typical grid pattern of medium sized blocks resulting in the creation of isolated large housing development areas with no relationship to the pattern of adjacent development. Three partial blocks containing industrial activity have limited depth and abut the rail line at the south end of the area. Due to the limited block size and depth, loading and service can only be accomplished by blocking 15th Street. Many problems, such as poor access, vandalism, crime, isolation, maintenance and security are exacerbated by the deleterious layout of the area.

The factor of deleterious land-use or layout is present to a major extent 22 blocks and to a limited extent in 12 of the 47 total blocks.

Figure 11, *Deleterious Land Use or Layout*, illustrates these conditions in the Project Area.

**M. DEPRECIATION OF PHYSICAL MAINTENANCE**

Depreciation of physical maintenance refers to deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks and streets.

The presence of this factor within the Project Area includes:

- **Buildings and Premises.** Of the 257 buildings, 238 suffer from deferred maintenance of windows, doors, store fronts, exterior walls, cornices, fire escapes, porches and steps, loading docks, fascias, gutters, downspouts and chimneys. Yards and premises throughout much of the area contain high weeds, deteriorated fencing, exposed outdoor storage and debris.

- Streets, Alleys, Sidewalks. Deterioration of these improvements is widespread throughout the Project Area. Poor pavement conditions are evidenced by pot holes and deteriorated pavement along 15th Street. Alleys in the blocks along Ashland Avenue and Roosevelt Road are deteriorated with irregular surfaces and pot holes. They also exhibit excessive amounts of debris, litter and weed growth. Interior walks within the Abbott, Brooks and Wright Developments are deteriorated with missing, settled and cracked sections.
- Parking Surface and Site Surface Areas. Parking areas within the commercial, industrial and residential areas contain pot holes, weed growth and depressions. Several lots contain either gravel or deteriorated asphalt and lack striping or bumper stops. Parking surfaces within the Barbara Jean Wright courts contain settled sections, oil slicks from servicing of private vehicles, weed growth and debris.

The factor of depreciation of physical maintenance is present to a major extent in 42 blocks and to a limited extent in 4 of the 47 total blocks.

Figure 12, *Depreciation of Physical Maintenance*, illustrates the presence of this factor in the Project Area.

#### N. LACK OF COMMUNITY PLANNING

The original Project Area was platted prior to the turn of the century. Original buildings were constructed on a parcel by parcel basis with narrow lots. The earliest public housing units were occupied in 1938. During the 1950's and early 1960's large scale public housing developments were constructed in response to an affordable housing shortage at the time. This development occurred, however, by means of forming large super blocks and the elimination of the typical block and street pattern grid system. This reconfiguration of the area resulted in the isolation of these housing developments from the adjacent blocks and activity with limited interior access due to the elimination of both east-west and north-south interior streets and prior to the existence of an overall community plan. Industrial, commercial and residential blocks were originally platted and developed on a parcel-by-parcel and building-by-building basis, with little evidence of coordination and planning among buildings and activities. Presently, the area contains both large and small blocks, incompatible relationships with residential activity in several commercial block fronts. The lack of community planning prior to development has contributed to some of the problem conditions which characterize the overall Project Area.

The factor of lack of community planning is present to a major extent throughout the entire Project Area, or all 47 blocks.



#### **IV. DETERMINATION OF PROJECT AREA ELIGIBILITY**

##### **Improved Area**

The Project Area meets the requirements of the Act for designation as an improved "blighted area." There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or layout
9. Depreciation of physical maintenance
10. Lack of community planning

The entire area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.

**Table 3: Distribution Of Blighting Factors**

<u>Blight Factors</u>	<u>BLOCK NUMBERS</u>									
	100	101	102	103	104	105	106	107	108	109
1 Age	■	■	■	■	■	■	■	■	■	■
2 Dilapidation	□	□	□	□						
3 Obsolescence	■	□	■	■	■	□	□	■	■	□
4 Deterioration	■	■	■	■	■	□	■	■	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■	■	■	■	■		■	■	■	■
7 Excessive vacancies	□	□	■	■	□	□	■	■	□	□
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage	□	□	□	■				■		
12 Deleterious land-use or layout	■	■	■	■	■			■	■	
13 Depreciation of physical maintenance	■	■	■	■	■	□	□	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

--continued--

**Table 3 Distribution of Blighting Factors**  
 --continued--

Blight Factors	BLOCK NUMBERS									
	110	111	112	113	114	115	116	117	118	119
1 Age	■	■	■	■	■	■	■		■	■
2 Dilapidation							□			
3 Obsolescence	□	□	■	□	■	■	■	□		■
4 Deterioration	■	■	■	■	■	■	■	□	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■	■	■	■	■	■	■		■	■
7 Excessive vacancies	■	■	□	■	■	■	■			
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage		■	□		■	■				
12 Deleterious land-use or layout		■	■		■	■	■	■		
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

--continued--

**Table 3 Distribution of Blighting Factors**  
**--continued--**

Blight Factors	BLOCK NUMBERS									
	120	121	122	123	124	125	126	127	128	129
1 Age		■		■	■		■	■	■	
2 Dilapidation									■	
3 Obsolescence	□	□	□		■	□	■	■	■	□
4 Deterioration	■	■	□	■	■	■	■	■	■	□
5 Illegal use of individual structures										
6 Structures below minimum code		■		■	■		■	■	■	
7 Excessive vacancies		□		□			□			
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage									■	
12 Deleterious land-use or layout	■		■			□	■	■	■	■
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined  
 □ Present to a limited extent  
 ■ Present to a major extent

--continued--

**Table 3 Distribution of Blighting Factors**  
**-continued-**

<u>Blight Factors</u>	<u>BLOCK NUMBERS</u>									
	200	201	207	208	209	210	211	213	214	220
1 Age	■	■	■		■	■				
2 Dilapidation										
3 Obsolescence	■	■	■	■	■	□	□	□	□	□
4 Deterioration	■	□	■		■	□	■	■	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■		■		■		■	■	■	■
7 Excessive vacancies	■		■		■					
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage										
12 Deleterious land-use or layout		■		■		■	□	□	□	□
13 Depreciation of physical maintenance	■	□	■		■	□	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

Table 3 Distribution of Blighting Factors  
--continued--

Blight Factors	BLOCK NUMBERS							Total Excess major/limited
	320	321	322	323	332	333	334	
1 Age	■	■	■	■	■	■	■	370
2 Dilapidation					□			16
3 Obsolescence	■	■	■	■	■	■	■	2718
4 Demolition	■	■	■	■	■	■	■	406
5 Illegal use of individual structures								00
6 Structures below minimum code	■	■	■	■	■	■	■	380
7 Excessive vacancies	■	■	■	□	■	■	■	1911
8 Overcrowding of structures and community facilities								00
9 Lack of ventilation, light or sanitary facilities								00
10 Inadequate utilities								00
11 Excessive land coverage			□		□	□	□	68
12 Detrimentous land-use or layout	□	□	□	□	□	□	□	2212
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	424
14 Lack of community planning	■	■	■	■	■	■	■	470

Not present or not examined  
 □ Present to a limited extent  
 ■ Present to a major extent

[Figure 1 referred to in this Roosevelt/Racine Eligibility Study constitutes Exhibit E to the ordinance and printed on page 80631 of this Journal.]

[Figure 2 referred to in this Roosevelt/Racine Eligibility Study unavailable at time of printing.]

[Figures 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 referred to in this Roosevelt/Racine Eligibility Study printed on pages 80611 through 80621 of this Journal.]



Figure 4.  
(To Roosevelt/Racine Eligibility Study)

Age.

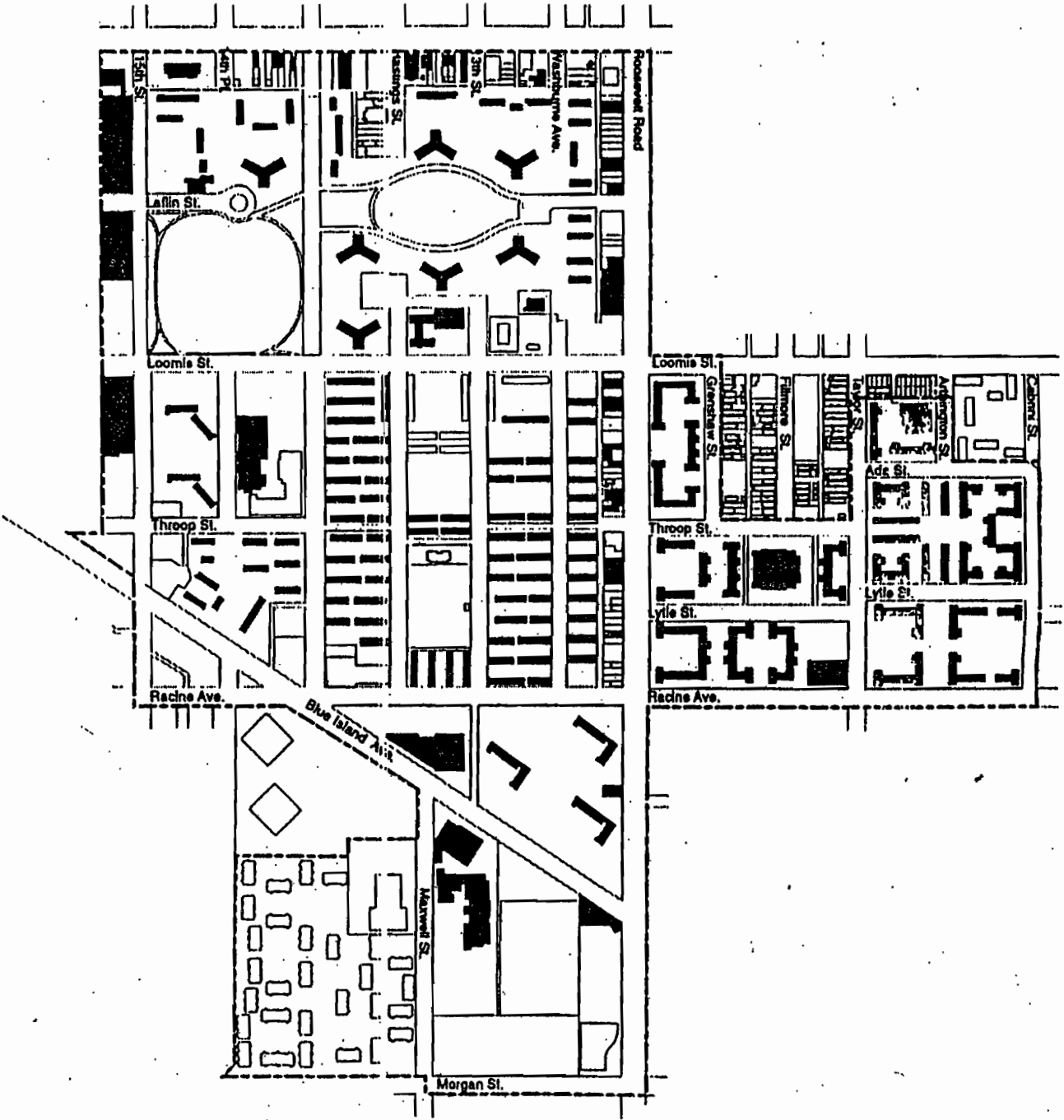




Figure 5.  
(To Roosevelt/Racine Eligibility Study)

*Dilapidation.*

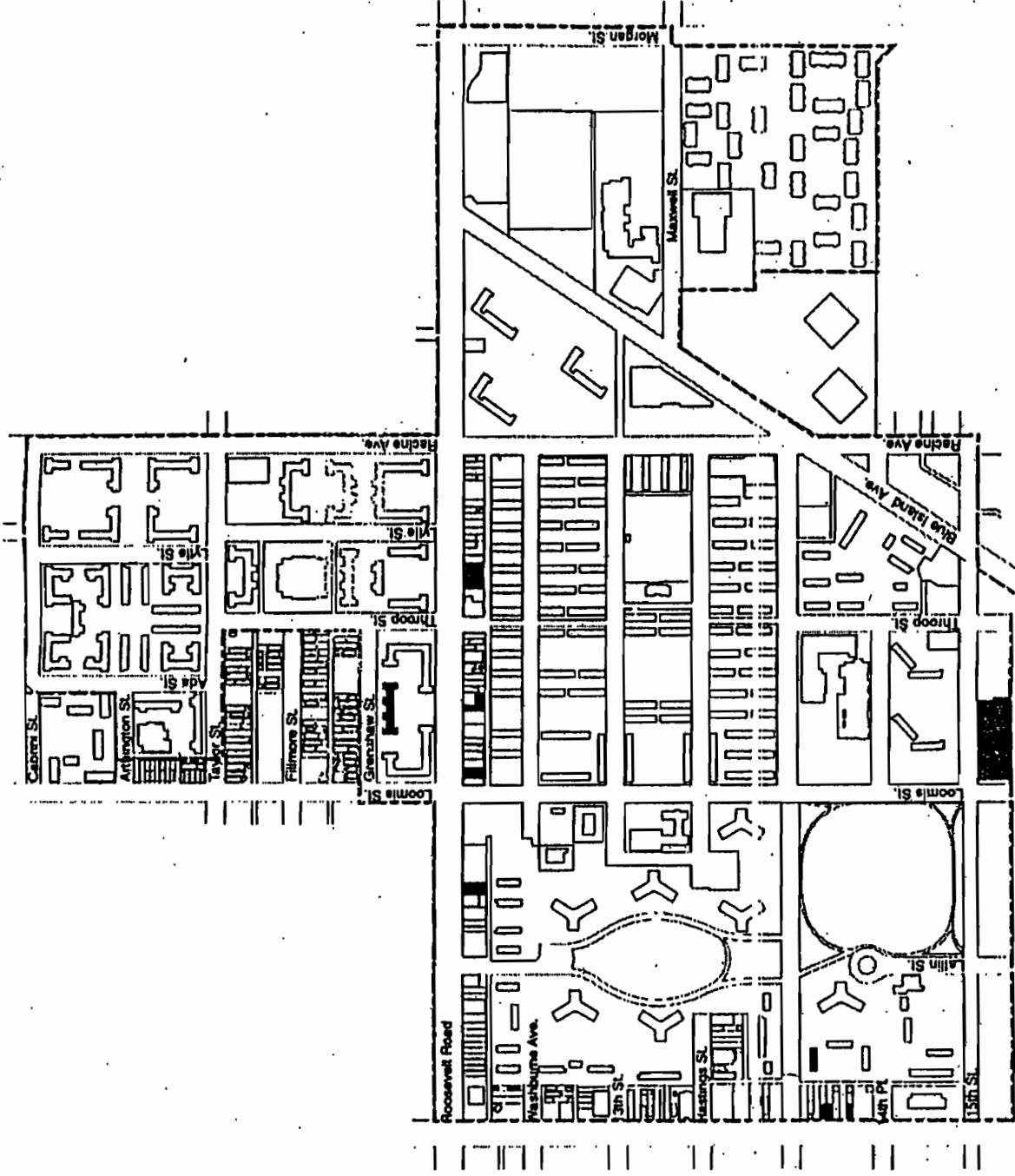


Figure 6.  
(To Roosevelt/Racine Eligibility Study)

Obsolescence.

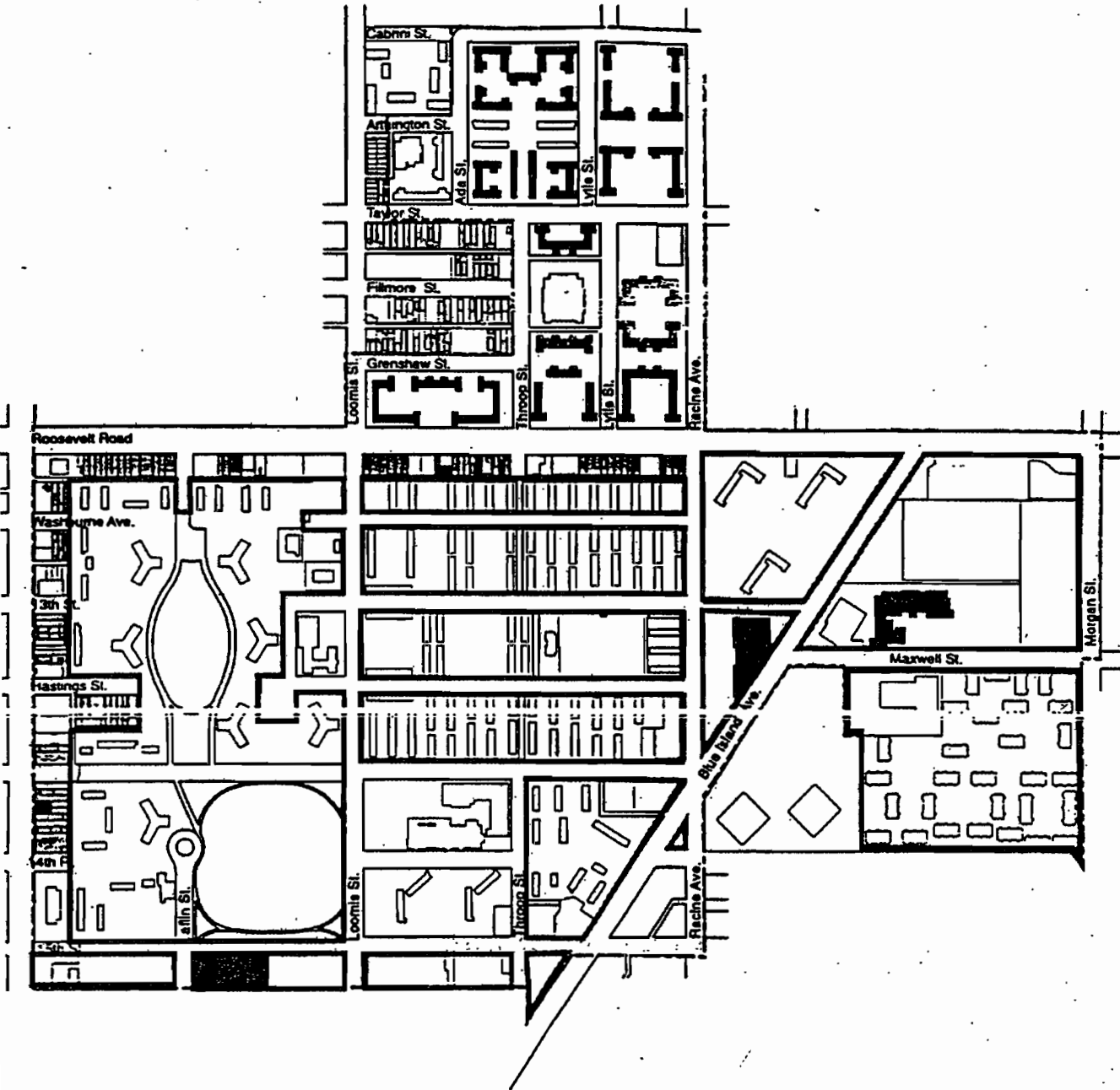


Figure 7.  
(To Roosevelt/Racine Eligibility Study)

*Deterioration.*

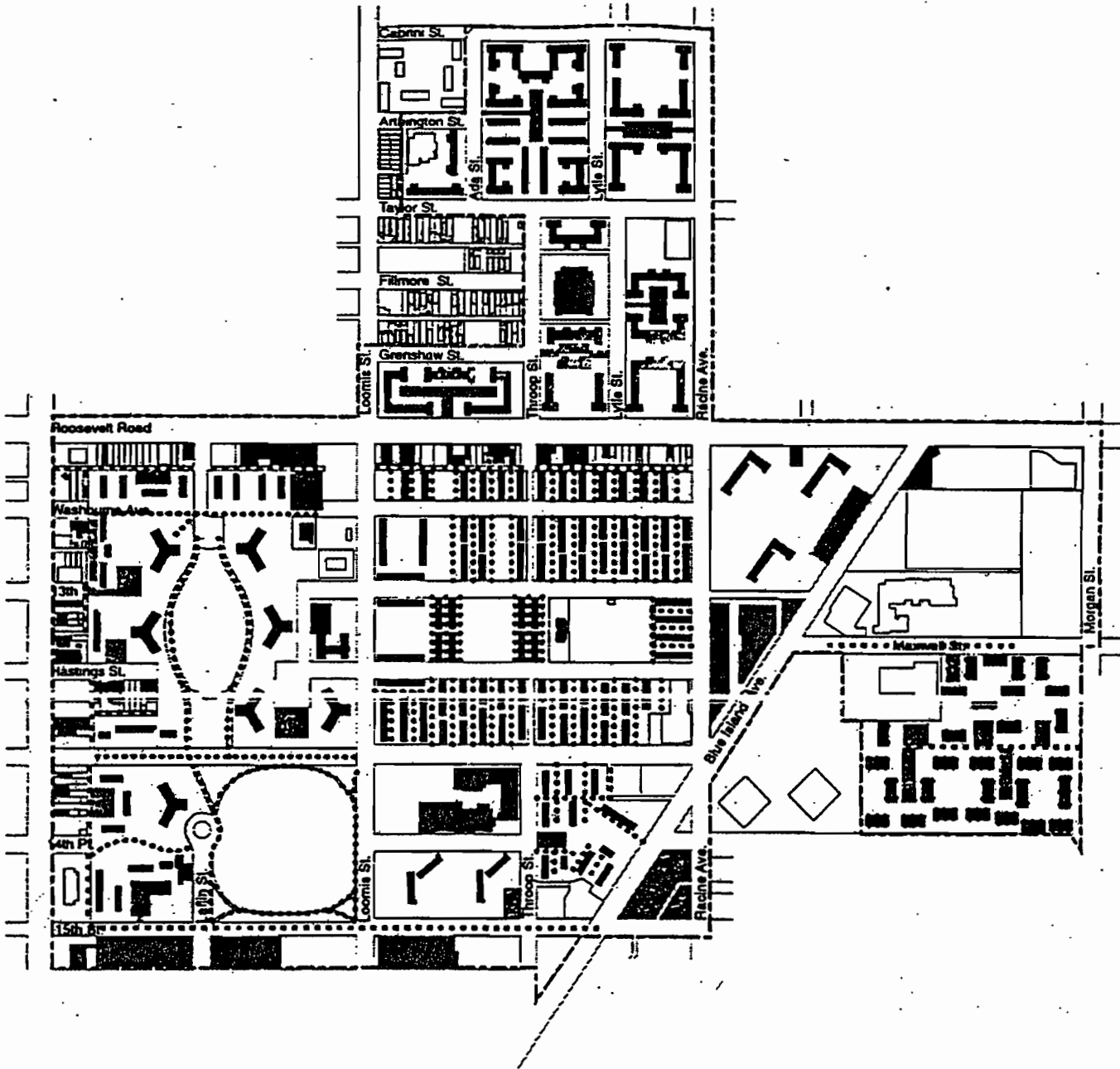


Figure 8.  
(To Roosevelt/Racine Eligibility Study)

Structure Below Minimum Code.

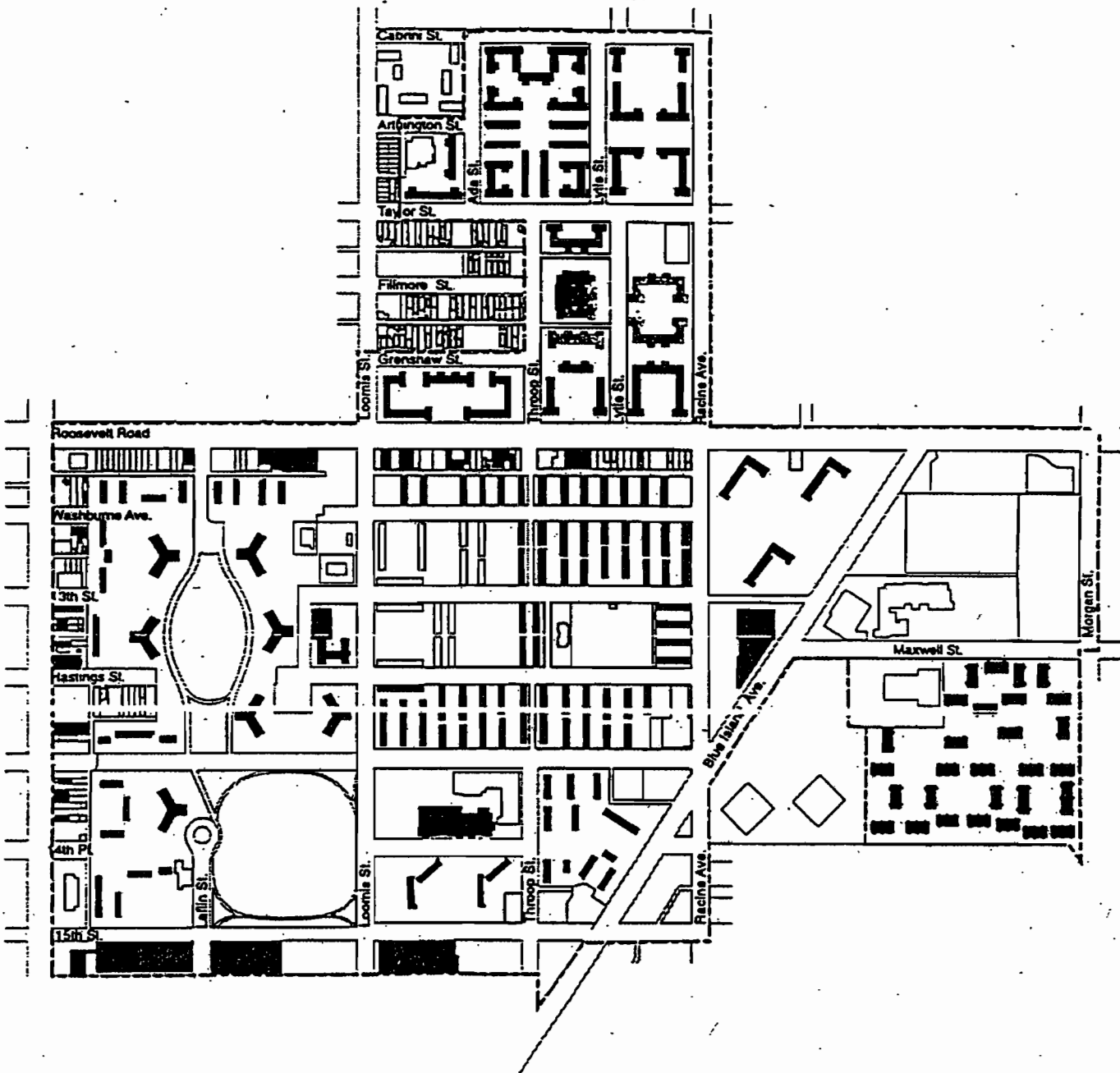


Figure 9.  
(To Roosevelt/Racine Eligibility Study)

*Excessive Vacancies.*

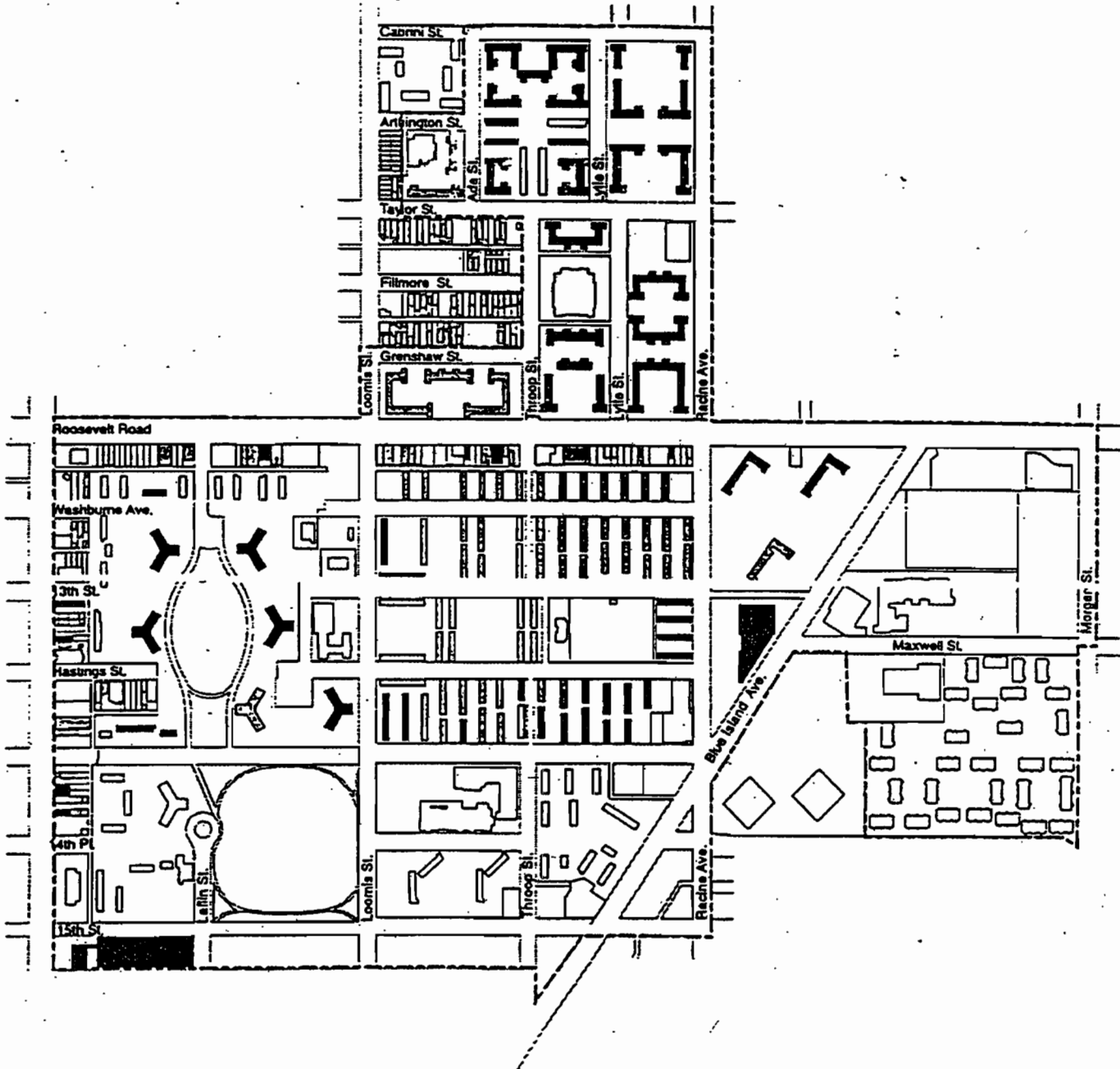


Figure 10.  
(To Roosevelt/Racine Eligibility Study)

*Excessive Land Coverage.*

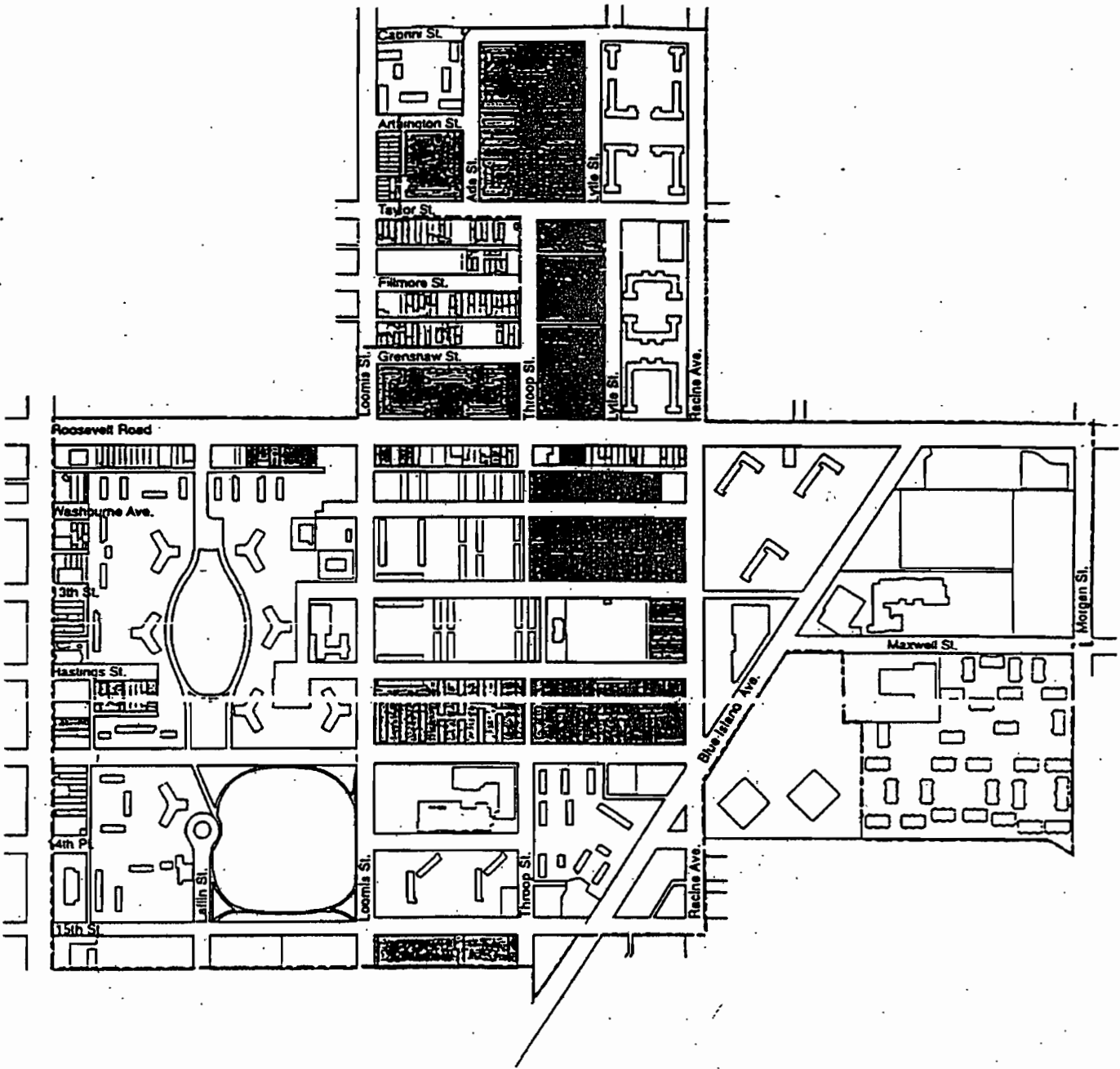


Figure 11.  
(To Roosevelt/Racine Eligibility Study)

*Incompatible Land-Use/Layout.*

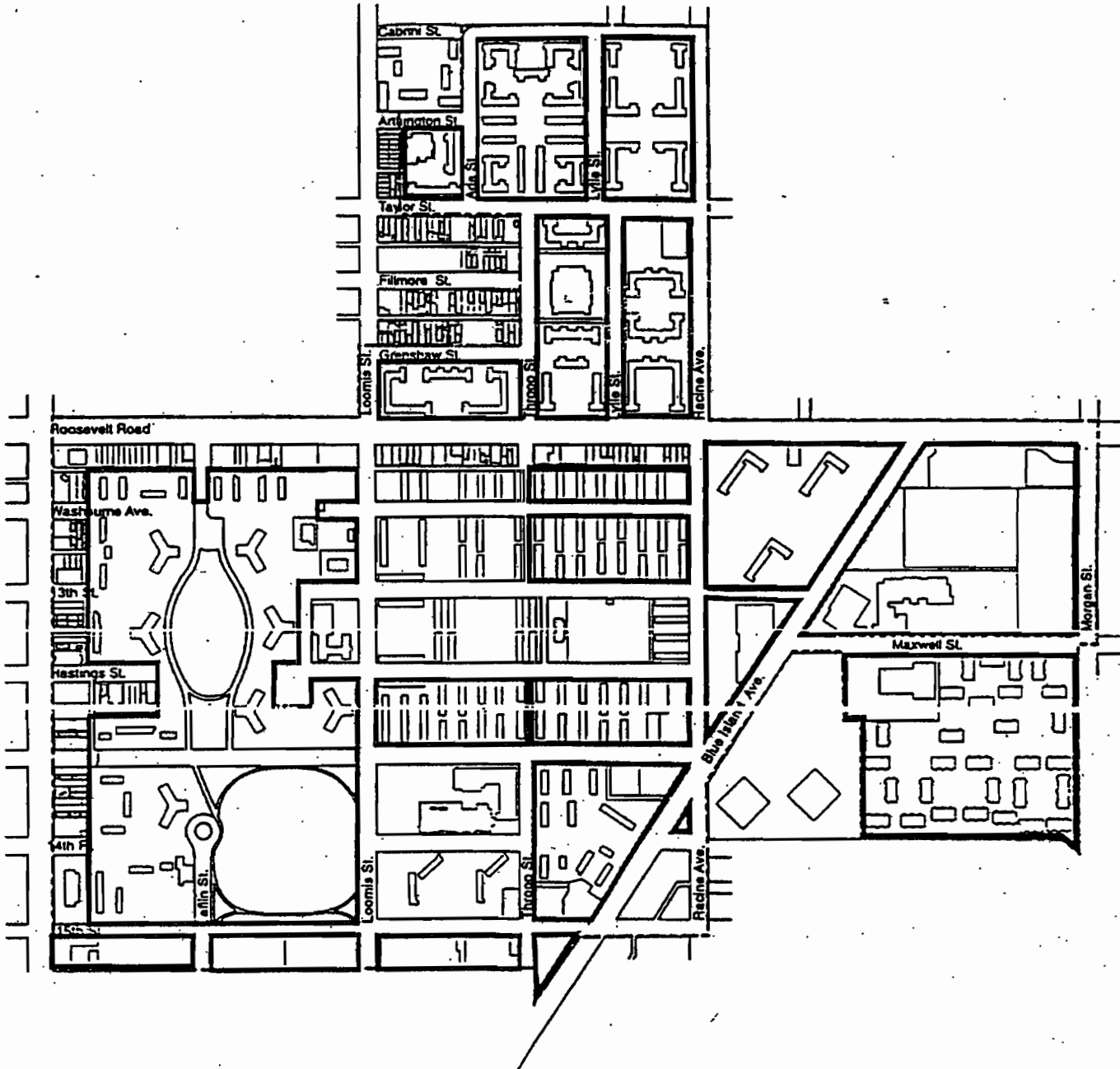


Figure 12.  
(To Roosevelt/Racine Eligibility Study)

*Depreciation Physical Maintenance.*

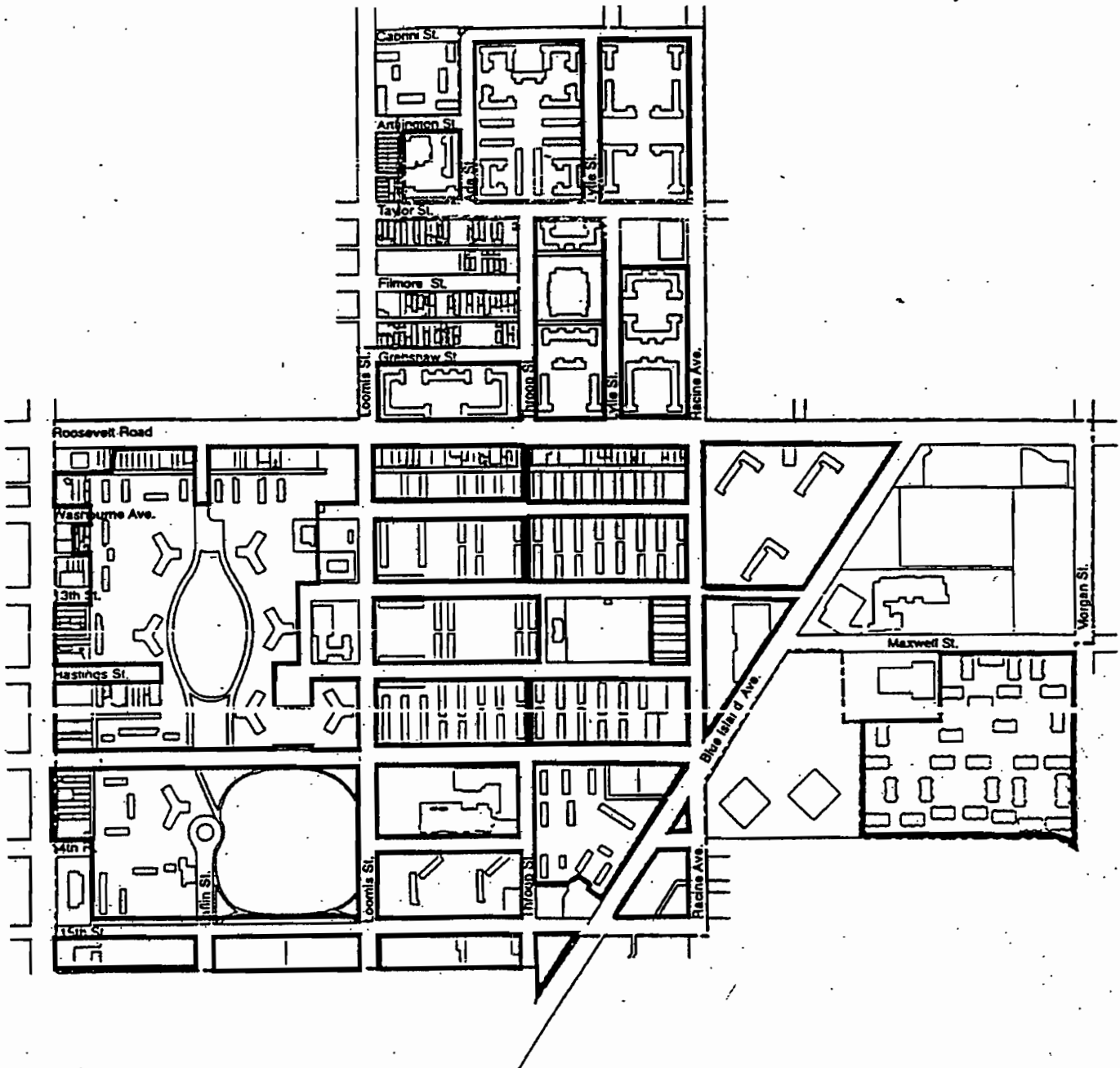
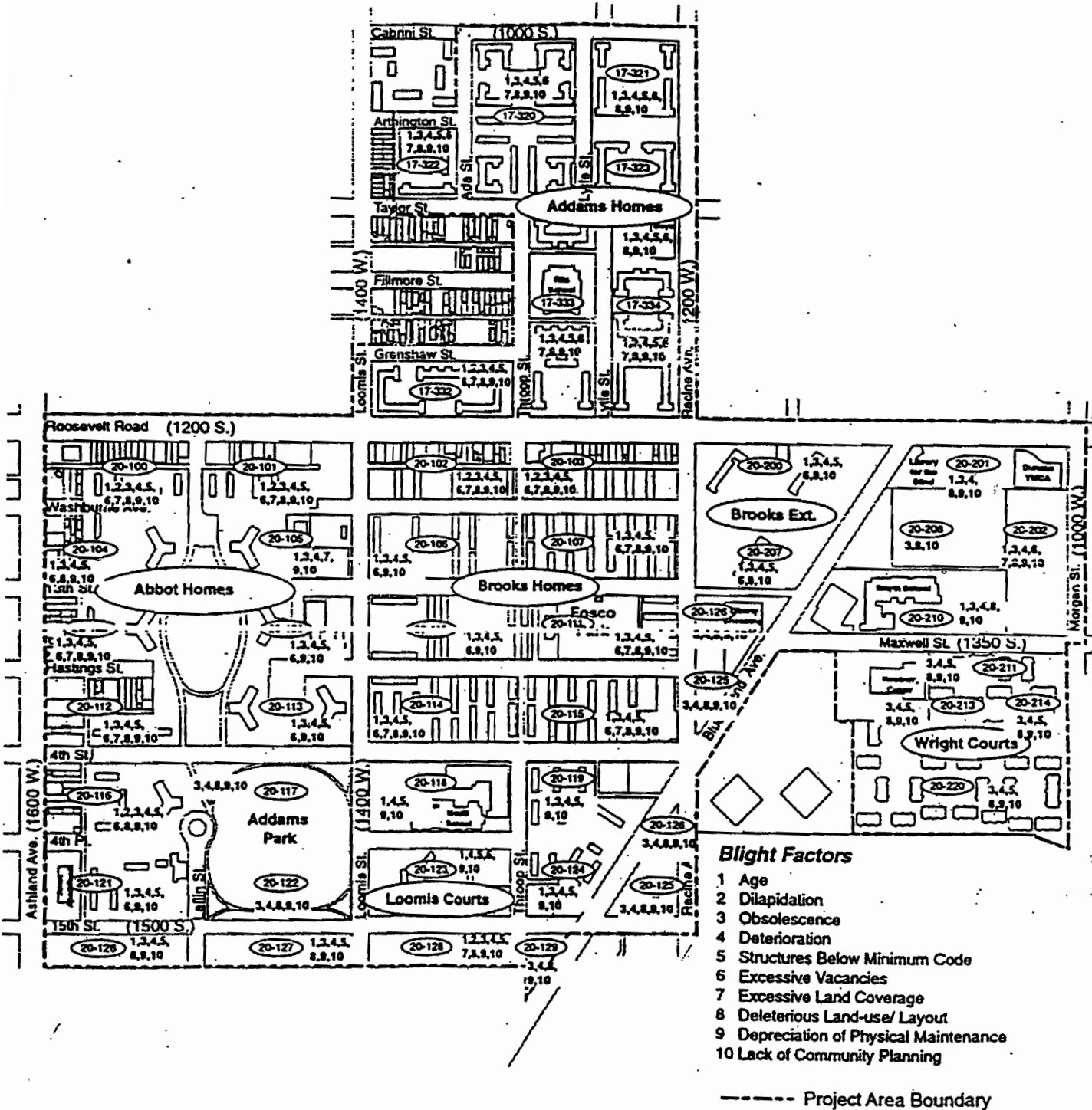




Figure 13.  
(To Roosevelt/Racine Eligibility Study)

Summary Of Blight Factors.



(Sub)Exhibit V.  
(To Roosevelt/Racine Redevelopment Project And Plan)

*Parcels To Be Acquired.*

<u>PIN</u>	<u>PIN</u>	<u>PIN</u>
17-20-100-006-0000	17-20-102-015-0000	17-20-112-002-0000
17-20-100-007-0000	17-20-102-016-0000	17-20-112-003-0000
17-20-100-008-0000	17-20-102-017-0000	17-20-112-004-0000
17-20-100-009-0000	17-20-102-018-0000	17-20-112-005-0000
17-20-100-010-0000	17-20-102-019-0000	17-20-112-006-0000
17-20-100-012-0000	17-20-102-020-0000	17-20-116-002-0000
17-20-100-013-0000	17-20-102-021-0000	17-20-116-003-0000
17-20-100-014-0000	17-20-102-053-0000	17-20-116-004-0000
17-20-100-015-0000	17-20-103-001-0000	17-20-116-005-0000
17-20-100-016-0000	17-20-103-002-0000	17-20-116-006-0000
17-20-100-017-0000	17-20-103-003-0000	17-20-116-008-0000
17-20-100-018-0000	17-20-103-004-0000	17-20-116-010-0000
17-20-100-019-0000	17-20-103-005-0000	17-20-116-011-0000
17-20-100-020-0000	17-20-103-006-0000	17-20-116-048-0000
17-20-100-021-0000	17-20-103-007-0000	17-20-116-049-0000
17-20-100-022-0000	17-20-103-008-0000	17-20-116-050-0000
17-20-100-023-0000	17-20-103-009-0000	17-20-116-051-0000
17-20-100-024-0000	17-20-103-010-0000	17-20-127-001-0000
17-20-101-001-0000	17-20-103-011-0000	17-20-127-002-0000
17-20-101-002-0000	17-20-103-012-0000	17-20-127-003-0000
17-20-101-003-0000	17-20-103-013-0000	17-20-127-004-0000
17-20-101-004-0000	17-20-103-014-0000	17-20-127-005-0000
17-20-101-005-0000	17-20-103-015-0000	17-20-127-006-0000
17-20-101-006-0000	17-20-103-048-0000	17-20-127-007-0000
17-20-101-007-0000	17-20-103-050-0000	17-20-127-008-0000
17-20-101-008-0000	17-20-104-001-0000	17-20-127-009-0000
17-20-101-009-0000	17-20-104-002-0000	17-20-127-010-0000
17-20-101-010-0000	17-20-104-003-0000	17-20-127-011-0000
17-20-101-011-0000	17-20-104-004-0000	17-20-127-012-0000
17-20-101-012-0000	17-20-104-022-0000	17-20-127-013-0000
17-20-102-001-0000	17-20-104-023-0000	17-20-127-014-0000
17-20-102-002-0000	17-20-104-024-0000	17-20-127-015-0000
17-20-102-003-0000	17-20-104-025-0000	
17-20-102-004-0000	17-20-104-026-0000	
17-20-102-007-0000	17-20-104-027-0000	
17-20-102-008-0000	17-20-108-001-0000	
17-20-102-009-0000	17-20-108-002-0000	
17-20-102-010-0000	17-20-108-003-0000	
17-20-102-012-0000	17-20-108-004-0000	
17-20-102-013-0000	17-20-108-022-0000	
17-20-102-014-0000	17-20-112-001-0000	



*For The Proposed*

*Roosevelt/Racine*

*Redevelopment Project Area:*

*Approval Of  
A Redevelopment Plan,*

*Designation Of A  
Redevelopment Project Area*

*And*

*Adoption Of Tax Increment Allocation Financing.*

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", with the Mayor and the City Council being collectively defined as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (1996 State Bar Edition) (the "Act"); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

Whereas, Staff of the City's Department of Planning and Development ("D.P.D.") has conducted or caused to be conducted certain investigations, studies and surveys of the Roosevelt/Racine Redevelopment Project Area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented to the Commission for its review the Roosevelt/Racine Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Plan") (which has as an exhibit the Roosevelt/Racine Tax Increment Finance Program Eligibility Study (the "Report")); and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary

that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

Whereas, The Plan (with the Report attached thereto) were made available for public inspection and review prior to the adoption by the Commission of Resolution 98-CDC-110 on July 28, 1998 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the Hearing by publication was given at least twice, the first publication being on August 26, 1998, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing and the second publication being on September 2, 1998, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on August 26, 1998, being a date not less than ten (10) days prior to the date set for the Hearing. Where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years on August 26, 1998, being a date not less than ten (10) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A. and all Board members, on August 3, 1998, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan (with the Report attached thereto) were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on August 3, 1998, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on September 22, 1998 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on August 14, 1998 at 10:00 A.M. (being a date no more than fourteen (14) days following the mailing of the notice to all taxing districts on August 3, 1998) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Commission has reviewed the Plan (with the Report attached thereto), considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) the Plan either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes

land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not more than twenty-three (23) years from the date of the adoption of the ordinance approving the designation of the Area as a redevelopment project area, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefited by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act; and

e. as required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: September 22, 1998

*Exhibit "C".*  
(To Ordinance)

Beginning at the point of intersection of the east line of South Racine Avenue with the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the east line of South Morgan Street; thence south along said east line of South Morgan Street to the centerline of West Maxwell Street; thence west along said centerline of West Maxwell Street to the west line of South Morgan Street; thence south along the west line of South Morgan Street to the northeasterly line of West 14<sup>th</sup> Place; thence northwest along said northeasterly line of West 14<sup>th</sup> Place to the southeast corner of Lot 53 in Block 1 in Swift, McAuley & Tyrell's Subdivision of the north half of the southwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, the south line of said Lot 53 being also the north line of West 14<sup>th</sup> Place; thence west along said north line of West 14<sup>th</sup> Place, a distance of 571.43 feet; thence north along a line parallel with the west line of said Block 1 in Swift, McAuley & Tyrell's Subdivision to the centerline of vacated West 14<sup>th</sup> Street; thence west along said centerline of vacated West 14<sup>th</sup> Street, a distance of 3.00 feet, to the southerly extension of the west line of Lot 70 in Block 5 in Henry Waller's Subdivision of the northwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of said Lot 70 and the northerly extension thereof and along the west line of Lot 21 in said Block 5 in Henry Waller's Subdivision, a distance of 169.95 feet; thence west along a line parallel with the north line of said Block 5 in Henry Waller's Subdivision, to a point on the west line of Lot 25 in said Block 5 in Henry Waller's Subdivision; thence north along said west line of Lot 25 in said Block 5 in Henry Waller's Subdivision and along the northerly extension thereof and along the west line of Lot 25 in Block 4 in said Henry Waller's Subdivision to the south line of West Maxwell Street; thence west along said south line of West Maxwell Street to the southeasterly line of South Blue Island Avenue; thence southwest along said southeasterly line of South Blue Island Avenue to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the easterly extension of the north line of Lots 1 through 10, inclusive, in Block 16, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson's and Greene's Addition



to Chicago, said north line of Lots 1 through 10, inclusive, being also the south line of West 15<sup>th</sup> Street; thence west along said south line of West 15<sup>th</sup> Street to the northwesterly line of South Blue Island Avenue; thence southwest along said northwesterly line of South Blue Island Avenue to the east line of South Throop Street; thence north along said east line of South Throop Street to the easterly extension of the north line of Lots 26 through 50, inclusive, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson and Greene's Addition to Chicago, said north line being also the south line of the alley south of West 15<sup>th</sup> Street; thence west along said easterly extension and the south line of the alley south of West 15<sup>th</sup> Street to the east line of South Ashland Avenue; thence north along said east line of South Ashland Avenue to the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the west line of South Loomis Street; thence north along said west line of South Loomis Street to the north line of West Grenshaw Street; thence east along said north line of West Grenshaw Street to the west line of South Throop Street; thence north along said west line of South Throop Street to the south line of West Taylor Street; thence west along said south line of West Taylor Street to the southerly extension of the east line of Lot 56 in Robert L. Martin's Subdivision of Blocks 11 and 16 in Vernor's Park Addition to Chicago; thence north along said southerly extension and the east line of Lot 56 in Robert L. Martin's Subdivision and the northerly extension thereof and the east line of Lot 52 in said Robert L. Martin's Subdivision and the east line of Lots 1 through 6, inclusive, in Robert L. Martin's Resubdivision of Lots 47 through 51, inclusive, in Robert L. Martin's Subdivision and along the east line of Lot 46 in said Robert L. Martin's Subdivision and the northerly extension thereof to the north line of West Arthington Street; thence east along said north line of West Arthington Street to the west line of South Ada Street; thence north along said west line of South Ada Street to the north line of West Cabrini Street; thence east along said north line of West Cabrini Street to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the point of beginning, being a point on the north line of West Roosevelt Road.

*Exhibit "D".*  
(To Ordinance)

*Roosevelt/Racine*

*Street Boundary Description Of The Area.*

The street boundary description for the Roosevelt/Racine Area is an area

80630

JOURNAL--CITY COUNCIL--CHICAGO

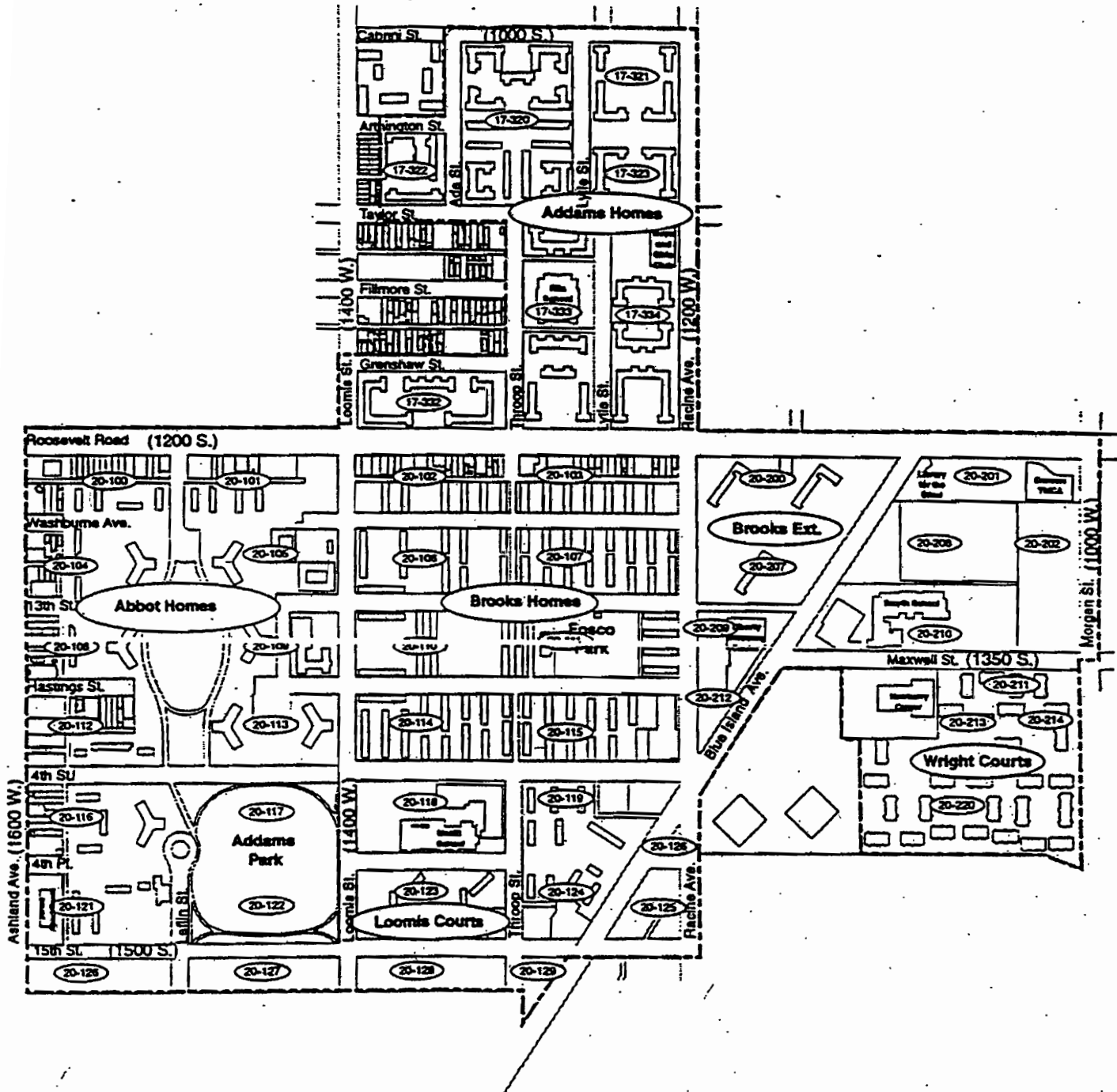
11/4/98

generally bounded by:

West Cabrini Street and West Roosevelt Road on the north, South Racine Avenue and South Morgan Street on the east, West 14<sup>th</sup> Place and West 15<sup>th</sup> Street on the south; and South Ashland Avenue and South Loomis Street on the west.

Exhibit "C".

Project Boundary Map.



STATE OF ILLINOIS, ss.  
County of Cook.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office for the approval of Tax Increment Redevelopment Plan for Roosevelt/Racine Redevelopment Project Area.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the fourth (4th) day of November, A. D. 1998 and deposited in my office on the fourth (4th) day of November, A. D. 1998.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit:

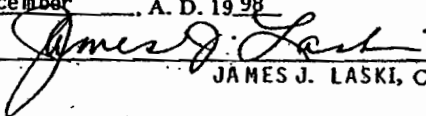
Yeas 42, Nays None.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor failed to return the said ordinance to the said City Council with his written objections thereto at the next regular meeting of the said City Council occurring not less than five days after the passage of the said ordinance.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this seventh (7th) day of December, A. D. 1998.

[L. S.]

  
JAMES J. LASKI, City Clerk.

be in addition to and in excess of all other taxes to be levied and extended against all taxable property within the Area.

**SECTION 5. Enforceability.** If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

**SECTION 6. Conflict.** This ordinance shall control over any provision of any other ordinance, resolution, motion or order in conflict with this ordinance, to the extent of such conflict.

**SECTION 7. Publication.** This ordinance shall be published by the City Clerk, in special pamphlet form, by preparing at least one hundred (100) copies thereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

**SECTION 8. Effective Date.** This ordinance shall take effect ten (10) days after its passage and publication.

---

**APPROVAL OF AMENDMENT NUMBER 1 TO ROOSEVELT/RACINE  
TAX INCREMENT FINANCING REDEVELOPMENT  
PROJECT AND PLAN.**

The Committee on Finance submitted the following report:

CHICAGO, December 8, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance authorizing Amendment Number 1 to the Roosevelt/Racine Tax Increment Financing Redevelopment Project Area, having had the same under advisement,

begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 47.

*Nays* -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to ordinances adopted on November 4, 1998, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for such date (the "*Journal of Proceedings*") at pages 80527 -- 80642, and in accordance with the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (the "*Act*"), the City Council (the "*Corporate Authorities*") of the City of Chicago (the "*City*"): (i) approved a redevelopment project and plan, a copy of which is attached hereto as Exhibit A (the "*Plan*") for a portion of the City known as "Roosevelt/Racine Redevelopment Project Area" (the "*Area*") (the "*Plan Ordinance*"); (ii) designated the Area as a "redevelopment project area" (the "*Designation Ordinance*"); and (iii) adopted tax increment allocation financing for the Area (the "*T.I.F. Adoption Ordinance*") (the

Plan Ordinance, the Designation Ordinance and the T.I.F. Adoption Ordinance are collectively referred to in this ordinance as the "T.I.F. Ordinances"); and

WHEREAS, The Plan established the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of the obligations issued to finance redevelopment project costs to be no longer than twenty-three (23) years from the date of the adoption of the Designation Ordinance, and the Corporate Authorities made a finding in the Plan Ordinance that such dates were not more than twenty-three (23) years from the date of the adoption of the Designation Ordinance in accordance with the provisions of Section 11-74.4-3(n)(3) of the Act in effect on the date of the adoption of the T.I.F. Ordinances; and

WHEREAS, Public Act 91-478 (the "Amendatory Act"), which became effective November 1, 1999, amended the Act, among other things, to: (i) change the dates set forth in Section 11-74.4-3(n)(3) of the Act by which redevelopment projects must be completed and obligations issued to finance redevelopment project costs must be retired to be no later than December 31<sup>st</sup> of the year in which the payment to a municipal treasurer as provided in Section 11-74.4-8(b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year after the year in which the ordinance approving a redevelopment project area is adopted; and (ii) provide that a municipality may amend an existing redevelopment plan to conform such redevelopment plan to Section 11-74.4-3(n)(3) of the Act, as amended by the Amendatory Act, by an ordinance adopted without further hearing or notice and without complying with the procedures provided in the Act pertaining to an amendment to or the initial approval of a redevelopment project and plan and designation of a redevelopment project area; and

WHEREAS, The Corporate Authorities desire to amend the Plan to conform the Plan to Section 11-74.4-3(n)(3) of the Act, as amended by the Amendatory Act, in accordance with the procedures set forth in amended Section 11-74.4-3(n)(3); and

WHEREAS, The Corporate Authorities further have determined that an amendment to the Plan is necessary to add redevelopment project costs that were added by the Amendatory Act (including, but not limited to, (i) up to fifty percent (50%) of the costs of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act, and (ii) the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area) to the itemized list of redevelopment project costs set forth in the Plan and to make other insubstantial changes to update the Plan; and

WHEREAS, Under Section 11-74.4-3(n)(9) of the Act, for redevelopment project areas designated prior to November 1, 1999, a redevelopment plan may be amended without further hearing, provided that notice is given as set forth in the Act, to authorize the municipality to expend tax increment revenues for redevelopment project costs added by the Amendatory Act, so long as such amendment does not increase the total estimated redevelopment project costs stated in a redevelopment plan by more than five percent (5%) after adjustment for inflation from the date of adoption of a redevelopment plan; and

WHEREAS, Under Section 11-74.4-5(c) of the Act, certain changes may be made to a redevelopment plan, including changes which do not substantially change the nature of the redevelopment project, without further hearing, provided that notice is given as set forth in the Act; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Approval Of The Amendment To The Plan. The "Amendment Number 1 to the Roosevelt/Racine Tax Increment Financing Redevelopment Project and Plan", a copy of which is attached hereto as Exhibit B (the "Plan Amendment Number 1") is hereby approved. Except as amended hereby, the Plan shall remain in full force and effect.

SECTION 3. Finding. The Corporate Authorities hereby find that the estimated dates of completion of the redevelopment project described in the Plan and of the retirement of obligations issued to finance redevelopment project costs set forth in the Plan, as amended by the Plan Amendment Number 1, conform to the provisions of Section 11-74.4-3(n)(3) of the Act, as amended by the Amendatory Act.

SECTION 4. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

Exhibits "A" and "B" referred to in this ordinance read as follows:



*Exhibit A.  
(To Ordinance)*

*Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan.*

*City Of Chicago, Illinois*

*July, 1998.*

## **I. INTRODUCTION**

This document is to serve as a redevelopment plan for an area approximately 1.5 miles southwest of the City of Chicago's central business district (the "Loop") subsequently referred to in this document as the Roosevelt/Racine Redevelopment Project Area (the "Project Area").

As part of its strategy to encourage managed growth and stimulate private investment within the Project Area, the City of Chicago (the "City") engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to study whether the Project Area of approximately 211.58 acres qualifies as a "conservation area," or a "blighted area" under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, *et seq.*) (the "Act"). The Project Area is generally bounded by Cabrini Street on the north; Morgan Street and Racine Avenue on the east; 15th Street on the south; and Ashland Avenue and Loomis Street on the west.

The Project Area consists primarily of one of the largest and oldest concentrations of public housing in the City, the ABLA Homes. The ABLA Homes is made up of five sub-developments, constituting over 3,700 dwelling units. ABLA is an acronym for the five sub-developments; the Addams Homes, the Brooks Homes (including the Brooks Extension), Loomis Courts, the Abbott Homes, and although not represented in the ABLA acronym, the Jones Apartments for Senior Citizens make up the overall ABLA development in the Project Area. Buildings within the ABLA Development are of various types and ages. Buildings sizes range from rowhouses and walk-ups to high-rises. The ages of the buildings range from the late 1930s through the mid 1960s.

Decreases in the value and appearance of private property in and near the Project Area have been exacerbated by problems within ABLA. According to the Chicago Housing Authority (the "CHA"):

- The overall occupancy rate of ABLA is only 57%;
- ABLA is characterized by the results of long-term maintenance neglect of building exteriors as well as advanced deterioration of all building systems;
- The CHA has been cited for numerous code violations throughout the development;
- On average the crime rate of ABLA is 5 times higher than the City.

This Roosevelt/Racine Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") represents a continuing cooperative effort on the part of the City and the CHA to provide safe, clean and affordable housing for Chicago's poor, while spurring private investment in the Project Area. Although the Project Area is dominated by the presence of public housing, there is privately owned property along the southern frontage of Roosevelt Road and along the eastern frontage of Ashland Avenue. Despite the blighted conditions prevalent in the Project Area, some aspects of the area offer hope that the opportunity for redevelopment may exist.

The physical assets of the Project Area include the following features:

- The close proximity of various public, and semi-public, educational and recreational facilities including the Smyth School, Riis School, Medill School, Jefferson School, Vernon Park, Fosco Park, the University of Illinois at Chicago, and YMCA facilities.
- Overall proximity, or ease of access to, major employment centers, including the Western/Ogden Industrial Corridor, the Illinois Medical District and the University of Illinois at Chicago.
- Both the Eisenhower Expressway (Interstate Route 290) and the Stevenson Expressway (Interstate Route 55) are readily accessible, as is the Dan Ryan Expressway (Interstate Route 90/94).
- Roosevelt Road provides important east-west arterial street access and major north-south access is provided by Ashland and Racine Avenues.
- The Project Area is adjacent to a portion of the eastern boundary of the Illinois Medical District (the "District"), an area of one square mile which includes Cook County Hospital,

Rush Presbyterian-St. Luke's Medical Center, University of Illinois at Chicago ("UIC"), UIC Medical Center, the West Side Veterans Administration facility, and Chicago Technology Park and Research Center. District entities employ a total of over 40,000 people, according to the District's Master Plan, dated March 7th, 1997.

The Project Area described in more detail below, as well as in the accompanying Eligibility Study, has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be re-developed without the efforts and leadership of the City.

While much of the Project Area is publicly held property and would not be expected to be the subject of private investment, even the areas of privately held property have not been subject to growth and development through the investment of private enterprise, nor is it reasonably expected to be redeveloped without the efforts and leadership of the City.

TPAP has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on (i) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Redevelopment Plan, and (ii) the fact that TPAP has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

***A. The Roosevelt/Racine Tax Increment Financing Redevelopment Project Area***

The Project Area is located approximately 1.5 miles southwest of the Loop. The Project Area consists of 257 buildings, encompasses a total of 211.58 acres and comprises 449 separate tax parcels, 292 of which are tax exempt. The Project Area as a whole is an improved area; however there are some small scattered, individual vacant sites within the Project Area, totaling approximately 4.78 acres. Most, if not all, of these vacant sites have been improved with buildings at some prior time. For a map depicting the boundaries and a legal description of the Project Area, see *Section II, Legal Description*.

The Project Area encompasses six main areas: a) the Jane Addams Homes, which includes the CHA development north of Roosevelt, south of Cabrini Street and between the Racine Avenue on the east and Loomis Street on the west; b) the Robert Brooks Homes, which are located south of Roosevelt Road between Loomis Street and Racine Avenue and north of 14th Street; c) the Grace Abbott Homes, which are generally located south of Roosevelt Road, north of 15th Street, east of Ashland Avenue and west of Loomis Street, included near the Abbott Homes are the Jones Apartments for seniors. d) Loomis Courts which are located south of 14th Street, north of 15th Street and between Loomis Street on the west and Racine Avenue on the east; e) the Brooks Extension, which is immediately to the east of the original Brooks development and is bounded by Roosevelt Road on the north, Racine Avenue on the west, and Blue Island Avenue along the south and east and f) the Barbara Jean Wright Court Apartments, which is south of Maxwell Street, north of 14th Place, west of Morgan Street and east of the Congressman Collins and Newberry Apartments (not included in the Project Area).

**The Jane Addams Homes**

The Jane Addams Homes is the oldest of the five ABLA sub-developments. Its units were built in 1938. This development is located on a twenty-four acre site bounded by Cabrini Street on the north, Roosevelt Road on the south, Racine Avenue on the east, and Loomis Street on the west. The development consists of thirty-two buildings containing a total of 987 dwelling units, mostly three-story and four-story apartment buildings, with some two-story row houses. All buildings in this development are experiencing very low occupancy rates.

**The Robert Brooks Homes and Brooks Extension**

The Robert Brooks Homes consists of 89 rowhouses. The original Brooks development is bounded by Loomis Street on the west, Roosevelt Road on the north, Racine Avenue on the east and 14th Street on the south. Having been built in 1943, it is the second oldest of the sub-developments in the larger ABLA public housing complex and originally contained 835 dwelling units. According to CHA officials, federal funding from the 1996 HOPE VI application is currently being used to demolish a portion of the Brooks development and rehabilitate some of the remaining units.

The Brooks Extension is located on the east side of Racine, immediately adjacent to the original Brooks development. The Brooks Extension consists of three high-rise buildings, built in 1961, containing a total of 450 dwelling units. All three buildings are planned for demolition, with replacement housing to be built on the cleared site.

**The Loomis Courts**

The Loomis Courts are two mid-rise buildings, built in 1950, containing 126 dwelling units. They are located on the block immediately south of Medill Elementary School. The development is bounded by Loomis on the west, 14th Place on the north, Throop Street on the east and 15th Street on the south.

**The Grace Abbott Homes**

The Grace Abbott Homes are located south of Roosevelt Road, east of the commercial frontage on the east side of Ashland Avenue, north of 15th Street and west of Loomis Street. This development contains 7 high-rises and 33 rowhouse buildings, for a total of 1,200 dwelling units. The Jones Apartments, seniors housing, is included in the totals for this development. All buildings, with the exception of the Jones Apartments, were built in 1955. The Jones Apartment Building was built in 1963. In addition to the above mentioned residential buildings, this sub-area also includes Addams Park, currently the largest single tract of open space, at approximately 7.4 acres, within the ABLA development.

**The Barbara Jean Wright Court Apartments**

The Barbara Jean Wright Court Apartments is a multifamily residential complex with a mix of

market rate and section 8 tenants. Despite a low vacancy rate and relatively young age of the complex, property maintenance has been deferred and deterioration of buildings and site conditions exist. Immediately adjacent to the Barbara Jean Wright Court Apartments is the Newberry Community Center which also is in need of maintenance and rehabilitation.

#### **The Project Area as a Whole**

The Project Area as a whole is substantial in size and is dominated by the presence of the ABLA public housing complex. The entire Project Area constitutes nearly 212 acres on the City's West Side. The five CHA housing projects within the Project Area constitute 127.1 acres, including right-of ways, or nearly 60% of the total Project Area. The entire Project Area currently contains 59.5 acres dedicated to rights-of-way. Rights-of-way account for 28% of the total land area in the Project Area.

There are three census tracts that very closely approximate the borders of the land within the Project Area. These three tracts are 2832, 2838 and 2839. According to the U.S. Bureau of the Census - 1990 Census of Population and Housing, these three census tracts collectively:

- Contain 3,479 total households.
- Have an average median age of 20.4 years of age.
- Are 97% renter occupied.
- Have an average median household income of \$5,320 and an average per capita income of \$3,597.
- Have just over 4% of all persons 25 years of age or older with college degrees.

The privately held property within the Project Area has not been subject to growth and development through investment by private enterprise. While the publicly held properties within the Project Area have been subject to some specific publicly funded investments (for example the CHA has been demolishing and rehabilitating selected units within the Brooks Development), the level of effort that will be needed to achieve a safe, clean and attractive mixed-income community has not been achieved yet. Evidence of this lack of privately funded growth and development is detailed in *Section VI* and summarized below.

- Numerous buildings show signs of obsolescence, deterioration, building code violations, excessive vacancies, and an overall depreciation of physical maintenance.
- Between 1991 and 1997, the assessed valuation (the "AV") of the privately held, taxable property in the Project Area increased by only 5.94%, (from \$3,187,660 to \$3,377,105). During the same period, the AV of the City as a whole increased by 16.25% (from \$13,349,817,293 to \$15,519,362,105).
- Between 1991 and 1997, the equalized assessed value (the "EAV") of the privately held, taxable property in the Project Area increased by only 10.93% (from \$6,542,035 to \$7,257,061). During the same period, the EAV of the City as a whole increased by 21.72% (from \$27,397,830,030 to \$33,349,557,227).

- Within the last five years, only 8 building permits have been issued for the construction of new structures in the Project Area. These permits represent an estimated \$627,460 in building projects. However, only 5 of these permits, representing an estimated \$263,000 in building projects, are attributable to private investment. The rest represents publicly funded construction projects.
- Over the last 5 years, more than 97% of the dollar value of all projects requiring building permits, inclusive of new construction, rehabilitation of existing structures and work performed to bring building into compliance with code, has been attributable to public spending and not due to private investment.
- Nine building permits issued over the last 5 years (out of a total of 64) representing a total estimated project cost of \$124,650, are for repairs done by the order of the City of Chicago Department of Buildings.

#### ***B. Tax Increment Financing***

In January 1977, Tax Increment Financing ("TIF") was made possible by the Illinois General Assembly through passage of the Act. 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 eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current EAV of taxable real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

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

Tax increment financing does not generate tax revenues by increasing tax rates; it generates revenues by allowing the municipality to capture the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties for a period of up to 23 years. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and the redevelopment project costs necessary to implement the redevelopment plan. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

**C. *The Redevelopment Plan for the Roosevelt/Racine Tax Increment Financing Redevelopment Project Area***

Without a comprehensive and area-wide effort by the City to promote investment in accordance with this Redevelopment Plan, the privately held properties within the Project Area will not likely be subject to sound growth and development through private forces. Additionally, the Project Area would likely continue to be characterized by dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, depreciation of physical maintenance and an overall lack of community planning. Additional loss to the existing tax base that results will lead to the overburdening of taxpayers with higher tax rates on taxable properties. The long term effect is a tax base that is not adequate to sustain its own need for governmental services.

While small-scale, piecemeal development might occur in limited portions of the Project Area, the City believes that the Project Area should be developed on a coordinated, comprehensive and planned basis to ensure continuity with the planning efforts of the City and the surrounding neighborhoods. A coordinated and comprehensive redevelopment effort will allow the City and other taxing districts to work cooperatively to prepare for the increased service demands that may arise from the conversion of underutilized land and buildings to more intensive uses as well as to initiate job training efforts that will prepare residents of the Project Area to work in the existing and newly-created jobs in the planned commercial strip along Ashland Avenue and in adjacent redevelopment areas.

As evidenced in *Section VI*, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF. While it is understood that much of the Project Area consists of exempt property not readily accessible to private investment, the private property surrounding ABLA has suffered declines in value and appearance similar to the decline in maintenance and upkeep of ABLA on the part of the CHA. Current and ongoing efforts on the part of CHA to revitalize ABLA make the coordination and timing of other non-CHA redevelopment effort all the more critical.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated, rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
2. On a reasonable, comprehensive and integrated basis to ensure that the factors of blight are eliminated; and
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City through an increased tax base and job creation.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend, to a large extent, on the cooperation between the private sector and agencies of local government. Through this Redevelopment Plan, the City will serve as the guiding force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

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

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

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes generated by a TIF designation and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing blight conditions which have precluded development of the Project Area by the private sector to date.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. Anticipated benefits include:

- Improved living conditions for all residents of the Project Area, especially CHA residents.
- An increased property tax base arising from new private mixed-income housing development.
- An increased sales tax base resulting from new and revitalized commercial development.
- An increase in construction, and other full-time employment opportunities for existing and future residents of the City.
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize the costs of redevelopment and promote the comprehensive, area-wide redevelopment.
- The construction of an improved system of roadways, including the re-introduction of Chicago's traditional street grid system to some of the areas where it had been disrupted by previous development patterns, utilities and other infrastructure which better serves existing buildings and adequately accommodates desired new development.



## II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

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

The Project Area is generally bounded by Cabrini Street on the north; Morgan Street and Racine Avenue on the east; 15th Street on the south; and Ashland Avenue and Loomis Street on the west.

The boundaries of the Project Area are legally described in Exhibit IV.

## III. ELIGIBILITY CONDITIONS

The results summarized in this section are more fully described in a separate report which presents the definitions, applications and extent of the blight factors in the Project Area. The report, prepared by TPAP, entitled "*Roosevelt/Racine Project Area Tax Increment Financing Eligibility Study*" is attached as Exhibit III to this Redevelopment Plan.

- Of the 14 blighting factors set forth in the Act for "improved" blighted areas, 10 are present in the Project Area. Five factors are required to be present under the Act in order for the finding to be made that an area is an improved blighted area. Nine factors (age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, deleterious land use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent in the Project Area and one factor (excessive land coverage) is present to a limited extent in the Project Area. A factor present to a limited extent is present in a block, but the distribution or impact of the blight condition is limited in scope or severity. A factor which is present to a major extent is present throughout major portions of a block, with the presence of this condition severely impacting or influencing adjacent and nearby development. When assessing whether a factor is present to a major or minor extent throughout the Project Area as a whole, the scope and severity of that factor is considered. Therefore the determination of major or minor extent is not simply a determination of a majority or minority of blocks with the factor present to a major or limited extent.
- Within the "improved" blighted area, vacant land and vacant parcels exist where buildings have been removed. These vacant sites are characterized by obsolete platting and are adjacent to deteriorating structures or site improvements.
- The factors present are reasonably distributed throughout the Project Area, including the vacant portions of the Project Area.

- All blocks within the Project Area show the presence of blight factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

### **Surveys and Analyses Conducted**

An analysis was made of each of the blighted area eligibility factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP and Ray/Dawson, P.C. Architects & Engineers included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;
7. Analysis of building floor area and site coverage;
8. Analysis of building permits issued for the Project Area from 1993 through 1997; and
9. Review of previously prepared plans, studies and data.

## **IV. REDEVELOPMENT GOALS AND OBJECTIVES**

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, additional employment opportunities and the addition to a clean and safe public housing stock.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V presents more specific objectives for development and design within the Project Area and the redevelopment activities the City plans to undertake to achieve the goals and objectives presented in this section.

### ***A. General Goals***

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. Improve the quality of life in the City by revitalizing the Project Area. This can be accomplished through assisting the Project Area to become a secure, functional and attractive mixed-income neighborhood and by encouraging the construction of new, affordable housing.
2. Create an environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve and enhance the value of properties within and adjacent to the Project Area.
3. Create an increased real estate and sales tax base for the City and other taxing districts having jurisdiction over the Project Area.
4. Retain and enhance sound and viable existing businesses within the Project Area.
5. Create new job opportunities within the Project Area.
6. Employ residents from within the Project Area as well as surrounding areas, in jobs in the Project Area and adjacent redevelopment project areas.

### ***B. Redevelopment Objectives***

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a blighted area. These conditions are described in detail in Exhibit III to this Redevelopment Plan.
2. Strengthen the economic well-being of the Project Area by increasing taxable values.
3. Assemble or encourage the assembly of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan and contemporary development needs and standards.
4. Encourage visually attractive buildings, rights-of-way and open spaces incorporating high design standards.
5. Provide necessary public improvements and facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.

6. Provide necessary incentives to encourage the development of quality market rate, and affordable, housing.
7. Provide necessary incentives to encourage business retention, rehabilitation and new development.
8. Establish job training and job readiness programs to provide residents from within and surrounding the Project Area with the skills necessary to secure jobs within the Project Area and adjacent redevelopment project areas.
9. Secure commitments from employers located in adjacent redevelopment project areas to interview graduates of the Project Area's job readiness and job training programs.
10. Provide opportunities for women and minority businesses to share in the redevelopment of the Project Area.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City, the CHA and by private entities on behalf of the City in furtherance of this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the overall redevelopment concept, b) development and design objectives, c) the land use plan, d) improvement and development recommendations for planning sub-areas, e) a description of redevelopment improvements and activities, f) estimated redevelopment project costs, g) a description of sources of funds to pay estimated redevelopment project costs, h) a description of obligations that may be issued, and i) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

Preparation of this Redevelopment Plan has included a review of the CHA's 1997 *Hope VI Revitalization Application for ABLA* dated July 17, 1997; the CHA's *ABLA Redevelopment document* dated December 6, 1997, the CHA's *Hope VI Application for a Revitalization Plan ABLA Homes (Brooks Extension - Target Development)* and the City of Chicago Department of Urban Renewal's 1966 *Roosevelt/Halsted Proposals for Renewal*; as well as numerous physical needs assessments and modernization cost estimate reports prepared for the use of CHA planners. These previously prepared plans and studies were supplemented with interviews of representatives of the CHA, which owns significant land within the Project Area. This Redevelopment Plan incorporates many of the findings and recommendations of these previous plans and studies.

### ***A. Overall Redevelopment Concept***

The Project Area should be redeveloped as a functional, clean and attractive mixed-use and mixed-income residential neighborhood with convenient commercial service enterprises typical of sound neighborhoods throughout the City. It should consist of residential and business areas offering a range of site development opportunities.

The Project Area should be marked by improvements in infrastructure, improvements in existing residential developments, creation of new mixed-income residential units, creation of new public housing, business development, and enhancement of the area's overall image and appearance. Improvement projects should include the rehabilitation and reuse of existing public housing buildings where viable, new business development, new market-rate and affordable residential development, street repairs, sewer system and infrastructure maintenance, landscaping and other appearance improvements.

The Project Area should maximize its existing accessibility features and should be served by a street system and public transportation facilities that provide safe and convenient access to, and circulation within, the Project Area.

The Project Area should be characterized by an organized network of open spaces, pedestrian facilities and public amenities which will link major residential areas and other facilities.

The Project Area should have a coherent overall design and character. Individual developments should be visually distinctive and compatible. Where it is not in conflict with current public housing development practices, the Project Area should respect Chicago's traditional neighborhood form which is characterized by a grid pattern of streets, with buildings facing the street, including rear and front yards. To see planned re-introduction of street right-of-ways reference Figure 2: *Generalized Land Use Plan*.

### ***B. Development And Design Objectives***

Listed below are the specific development and design objectives which will assist the City in directing and coordinating public and private improvement and investment throughout the Project Area in order to achieve the general goals and objectives identified in *Section IV* of this Redevelopment Plan.

The Development Guidelines are intended to help attract desirable new residential, business and employment development, foster a consistent and coordinated development pattern, and create an attractive and quality image and identity for the Project Area.

**1. Land Use**

- Redevelop the Project Area as a distinctive residential environment including a mix of housing types serving a range of households and income levels.
- Promote comprehensive, area-wide redevelopment of the Project Area as a planned and cohesive mixed-income residential neighborhood with adequate supporting commercial development.
- Provide sites for a wide range of land uses, including mixed-income residential development, consistent with contemporary residential standards, institutional, retail, commercial service and open green space.
- Promote retail and commercial uses in selected locations which support the needs of the Project Area's residents.
- Protect areas designated for residential and commercial uses from competing and conflicting land uses.
- Encourage continued growth of high quality market-rate residential units in the vicinity of the Project Area.

**2. Building and Site Development**

- New residential development should be compatible with and complement the existing development pattern within the majority of the City's neighborhoods. Residential buildings should be positioned perpendicular to the street, with their front doors facing the street.
- Setbacks should conform to the requirements of the R-4 zoning district. However, setbacks should be consistent within each block.
- Repair and rehabilitate existing public housing buildings in poor condition and demolish buildings where rehabilitation is not feasible.
- Reuse vacant buildings in serviceable condition.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Promote the use of architectural treatments and landscaping around buildings to add visual interest.
- Locate building service and loading areas away from front entrances and major streets where possible.

- Encourage parking, service and support facilities which can be shared by multiple buildings.
- Discourage the use of chain link fencing.

### **3. Transportation and Infrastructure**

- Provide safe and convenient access to the Project Area for pedestrians; autos and public transportation.
- Provide an adequate supply of conveniently located parking to serve all residential and commercial areas.
- Alleviate traffic congestion along arterial routes throughout the Project Area.
- Improve the street surface conditions, street lighting, and traffic signalization.
- Provide well-defined, safe pedestrian connections between developments within the Project Area, and between the Project Area and nearby destinations.
- Upgrade public utilities and infrastructure throughout the Project Area as required.

### **4. Urban Design**

- The Project Area should have a strong pedestrian orientation. Sidewalks should be provided along all street frontages. Safe and convenient pedestrian connections should be provided between residential areas and nearby shopping and other activity areas.
- Establish a comprehensive streetscape system to guide the design and location of light fixtures, sidewalks, paving materials, landscaping, street furniture and signage throughout the Project Area.
- Promote high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the major street corridors.
- Install streetpole banners throughout the Project Area to signal revitalization and reinvestment.
- Preserve and reuse buildings with historic and architectural value, where appropriate.
- Clear, clean and maintain vacant land, particularly in highly visible locations; where possible, use vacant lots for open space or off-street parking.
- Improve the condition and appearance of remaining public housing areas.

- Eliminate illegal dumping, abandoned vehicles and graffiti.
- Promote the development of public art at selected locations.
- Prohibit billboards and restrict other outdoor advertising.

#### 5. Landscaping and Open Space

- Provide landscaped buffers to secure and beautify residential areas and reduce the adverse impact of non-residential adjacent uses.
- Encourage landscaped open spaces in front setbacks, particularly along arterial collector streets.
- Screen active rail tracks with landscaping.
- Promote the use of landscaping and attractive fencing to screen dumpsters, waste collection areas, loading areas, service areas and the perimeter of parking lots and other vehicular use areas.
- Ensure that all landscaping and design materials comply with the City of Chicago Landscape Ordinance.
- Promote the development of shared open spaces within residential areas, including courtyards, eating areas, recreational areas, etc.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

#### C. Generalized Land Use Plan

Figure 2 represents the Generalized Land Use Plan that will be in effect upon adoption of this Redevelopment Plan. This plan is a generalized plan in that it depicts "ideal" uses for various portions of the Project Area. This plan does not preclude other uses from existing within any of the various land use categories. However, it does restrict potential TIF assistance to those redevelopment projects that comply with the Generalized Land Use Plan.

As indicated in Figure 2, the Project Area should be redeveloped as a planned and cohesive mixed-income residential neighborhood providing for a wide range of land uses, including public housing, market-rate residential, commercial service, open space and public and institutional uses. The various land uses should be arranged and located to minimize conflicts between different land use activities.

The Generalized Land Use Plan highlights numerous opportunities for mixed-income residential and business improvement, enhancement and new development within the Project



Area. The plan is focused on maintaining and enhancing sound and viable existing residential and businesses, and promoting residential and business development at selected locations.

As part of this Redevelopment Plan the City plans to acquire most of the privately held parcels along the southern frontage of Roosevelt Road from Racine Avenue on the east to a parcel immediately east of the Shell Gasoline Station on the south east corner of Ashland Avenue and Roosevelt Road. The City also plans to acquire most of the privately held parcels along the eastern frontage of Ashland Avenue, beginning immediately south of the aforementioned Shell Station, and continuing south to the north line of West 14th Place. In addition the City also plans to acquire the parcels fronting 15th Street on the south and bounded by Lafflin Street on the west and Loomis Street on the east. This acquisition plan is depicted on Figure 4: Acquisition Map.

The Generalized Land Use Plan designates five (5) land use categories within the Project Area, as described below:

- *Residential* - Areas that are predominately residential in nature. Residential areas can include single-family and multi-family dwelling units; market-rate housing, low/moderate income housing, as well as housing owned and maintained by the CHA. Some areas under this category may contain privately developed housing on land owned by the CHA but leased to a private developer for all, or some, of the aforementioned purposes.
- *Commercial* - Includes the eastern frontage of Ashland Avenue from Roosevelt Road on the north to 14th Place on the south. The City plans to acquire a sufficient number of parcels along this frontage to accommodate development of a new cohesive commercial strip. Permitted uses include: barber/beauty salons, dry cleaners and other convenience retail and service uses.
- *Mixed-Use* - Includes areas where a range of uses may be appropriate and will depend to great extent upon the type of redevelopment activities that occur in surrounding areas. Possible uses in this land use category include: Residential, Parks/Open Space, Commercial or Public/Educational.
- *Public/Educational* - Includes areas controlled by the City, Chicago Park District, YMCA, Chicago Public Schools and other like entities.
- *Parks/Open Space* - Includes improved parks and playgrounds, and landscaped areas used primarily for recreational purposes. Open Space may also serve as a buffer between different types of land use, or buildings of different scales.
- *Reintroduction of Rights-of-Way ("R.O.W.")* As specified on the Generalized Land Use Plan there are areas where the City plans to reintroduce the street grid system.

Recommended land use strategies for specific sub-areas are presented in the following section of this Redevelopment Plan.

#### ***D. Planning Sub-areas***

The Project Area has been subdivided into nine (9) sub-areas, each of which would be suitable for a different mix of uses and intensity of development, and each of which warrants a different approach to improvement and redevelopment. (See Figure 3)

It should be emphasized that the boundaries of these sub-areas and the specification of uses within the sub-areas are for guidance only, and are subject to refinement and modification as a part of the City's planned development process.

##### ***Sub-area A***

Planning Sub-area A constitutes the northernmost portion of the Project Area. It is bounded generally by Cabrini Street on the north, Racine Avenue on the east, Roosevelt Road on the south, and Loomis and Throop Streets on the west. This area is currently CHA property, and contains some of the oldest public housing in Chicago. It is expected that this area will remain primarily residential in nature, but with the addition of some newly constructed, mixed-income residential development. Currently this area is dominated by the CHA's Addams Homes.

Two major factors that should be taken into consideration when redeveloping this area are: a) the area is bounded on two sides by major thoroughfares, Roosevelt Road and Racine Avenue, and b) there are two public-use facilities within the area (the Boys and Girls Club and Riis School). Residences located along Roosevelt Road should complement those to be located along the southern frontage of Roosevelt Road and include attractive landscaping similar on both the north and south sides of the road. Residential buildings should be of a human scale with attractive masonry facades similar to multi-family residences in the established residential neighborhoods to the north. The Roosevelt and Racine intersection should serve as a "gateway area" for the newly redeveloped area and be a symbol of what a safe, clean, viable and diverse, mixed-income neighborhood can look like.

##### ***Sub-area B***

Sub-area B consists of the southern frontage along Roosevelt Road from Racine Avenue on the east to the eastern property line of the Shell gas station located on the southeast corner of Ashland Avenue and Roosevelt Road. (The gas station parcel will remain commercial and is part of the commercial sub-area E.) It is recommended that mixed-income residential development made up of two and three unit multifamily buildings of masonry construction that blend into traditional urban residences in appearance be built in this sub-area. Landscaping on both sides of Roosevelt Road, along with appropriate street furniture, would add significantly to an enhanced neighborhood setting. The City expects that it will move to acquire all privately owned properties that it does not already own within this sub-area. Refer to Figure 4, Acquisition Map, for specific parcels targeted for acquisition.

*Sub-area C*

Sub-area C currently consists of three CHA high-rise buildings, as of the date of TPAP field survey, (the Brooks Extension) in the northern section and the Liberty Shopping Center on the southern section. Future plans for this sub-area should include the demolition of all existing structures and the consolidation of the residential section with what is currently a dilapidated retail area to form a more solidly residential area. In conjunction with the demolition and rehabilitation in the Brooks Homes already begun by CHA, replacement housing should be built in this sub-area similar to that being recommended along Roosevelt Road in Sub-area B.

In addition, Washburne Avenue and 13th Street should be extended to run through to this area, essentially creating three new blocks, integrating the larger street grid system.

*Sub-area D*

Sub-area D currently contains several public and semi-public uses including Smyth School and the Duncan YMCA. It is anticipated that this sub-area will be maintained for public and semi-public uses, but that there may be some reconfiguration of open space.

The service oriented entities in this sub-area provide a range of services to the population living in ABLA. Just like ABLA many of these entities are striving to maintain clean, safe and sanitary conditions within their service areas.

*Sub-area E*

Sub-area E contains the eastern frontage along Ashland Avenue from Roosevelt Road on the north to the north side of 14th Place. Currently this area is a mixture of vacant buildings, vacant lots, a few inhabited residential structures, a used car lot and two cellular telephone towers. This sub-area should be redeveloped as a commercial area containing businesses that serve the nearby residential population. The church located at the northeast corner of Ashland Avenue and Hastings Street, which may have architectural and historical significance, should remain.

The City expects to acquire all remaining privately owned properties within this sub-area, with the exception of the aforementioned church. Refer to Figure 4, Acquisition Map, for specific parcels identified for acquisition.

*Sub-area F*

Sub-area F contains the bulk of the CHA's ABLA Public Housing Development. It is anticipated that this sub-area will remain residential in nature, but that there will be modifications in the configuration and density of the buildings, configuration of open space, and the extent and configuration of City rights-of-way. Existing public and semi-public buildings, such as the Medill Elementary School, are expected to remain. As part of the reintroduction of the street

grid to the area, 13th Street, 14th Street and 14th Place should be re-opened through this sub-area. Open space in this sub-area, Fesco Park, approximately 2.4 acres has the potential, based on the Generalized Land Use Plan, to be expanded to approximately 4.9 acres, although the exact configuration has not been determined at this time.

#### *Sub-area G*

Sub-area G currently contains several active industrial uses and it is expected at this time that those uses will remain. Most buildings appear to contain a substantial amount of vacant space, which suggests the possibility for some intensification. Since this is a sub-area where industrial uses abut residential uses, buffer areas should be introduced, possibly on the north side of 15th Street, in the form of trees and other landscaping. Opportunity sites for new development also exist in this sub-area.

The City expects that it will move to acquire some privately owned properties within this sub-area. Refer to Figure 4, Acquisition Map, or Exhibit V, Parcels Identified for Acquisition, for specific parcels targeted for acquisition.

#### *Sub-area H*

Sub-area H is a triangular piece of land bounded by Blue Island Avenue on the northwest, Racine Avenue on the east and 15th Street on the south. This sub-area contains parcels that are small and isolated by the configuration of the streets. However the potential exists to greatly enhance the image of the community by applying attractive landscaping in such a way that buffers the neighboring residential uses not only from the parcels themselves, but also the South Water Market immediately east of Racine Avenue.

#### *Sub-area I*

Sub-area I is bounded by Maxwell Street on the north, Morgan Street on the east, 14th Place on the south and the eastern parcel lines of the parcels containing the Congressman Collins Apartments and the Newberry Apartments on the west. The western north/south boundary for this sub-area runs between Barbara Jean Wright Court and the other two apartment complexes. The Collins Apartments and Newberry Apartments are not included in the Project Area. This sub-area is heavily influenced by the presence of the Barbara Jean Wright Court Apartments complex, in fact the only structure in this sub-area that is not part of the apartment complex is the Newberry Center, a community center.

This sub-area is currently planned to continue as a multi-family residential development with the Newberry Center continuing to operate in its current location. However, the apartment complex

suffers from neglect, nearby infrastructure needs investment and landscaping could provide some relief in term of a buffer from the activity at the South Water Market to the south and the activities at the UIC Athletic fields to the east.

#### ***E. Redevelopment Improvements and Activities***

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

Wherever possible the City will seek to maximize a positive impact, through this Redevelopment Plan, on the Project Area's job training programs, public school facilities, park facilities and infrastructure.

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan and which may include affordable housing requirements.

#### **1. Property Assembly**

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

Figure 4, Acquisition Plan, indicates the parcels currently proposed to be acquired for clearance and redevelopment in the Project Area. Exhibit V, Parcels to be Acquired, contains the block and parcel identification number of parcels proposed for acquisition.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and redevelopment.

The City may demolish improvements, remove and grade soils and prepare sites with soils and materials suitable for new construction. Clearance and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that

tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized.

The City may incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

In connection with the City exercising its power to acquire real property not currently identified on Figure 4, Acquisition Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City of Chicago. Included in this Redevelopment Plan is an Acquisition Map, Figure 4, depicting all of the real property that the City anticipates it will need to acquire in this redevelopment effort.

Land acquisition activities contemplated in this Redevelopment Plan and indicated on Figure 4, Acquisition Plan, will be initiated by the City within five years of the date of adoption of the Plan by the City.

**2. Relocation**

In the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services in accordance with City policy.

Relocation assistance is available to eligible businesses and residential occupants in cases where the City's acquisition of property forces a move.

**3. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

**a) *Streets and Utilities***

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

**b) *Parks and Open Space***

Improvements to, or relocation of existing parks, or the creation of new parks, open spaces and public plazas may be provided, including the construction of

pedestrian walkways, stairways, lighting, landscaping and general beautification improvements for use by the general public.

**4. Rehabilitation of Existing Buildings**

The City will encourage the rehabilitation, reconstruction, repair, or remodeling of public or private buildings and fixtures that are structurally sound and/or historically significant, and are compatible with the Redevelopment Project.

The City may implement programs designed to increase the skills of the labor force to maximize the employment opportunities within the Project Area.

**5. Taxing Districts Capital Costs**

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

**6. Interest Subsidies**

Funds may be provided to developers or redevelopers for a portion of interest costs incurred by a developer or 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 developer or redeveloper with respect 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, then the amounts 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 paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

**7. Analysis, Administration, Studies, Surveys, Legal, etc.**

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

## ***F. Redevelopment Project Costs***

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. A list of estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs") is attached as Exhibit I to this Redevelopment Plan.

### **1. Eligible Redevelopment Project Costs**

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

- 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 service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- 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 public or private 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 thereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- 7) All or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;
- 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;



- 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 of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act (as described in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as described in the Act);
- 11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  1. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  4. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
- 12) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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

## 2. **Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Exhibit I of this Redevelopment Plan.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan. The estimated costs depicted in this Redevelopment Plan are estimated costs for potential redevelopment activities and are not actual commitments, budgetary authority, encumbrances or expenditures on the part of the City, or any of its constituent departments or agencies. Total Redevelopment Project Costs as described in Exhibit I do not include private redevelopment costs, or costs financed from non-TIF public resources.

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

### **G. Sources of Funds to Pay Redevelopment Project Costs**

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

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

Project Area made available to support such contiguous redevelopment project areas, or those separated only by a public right of way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right of way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS

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

#### *H. Issuance of Obligations*

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within 23 years from the adoption of the ordinance approving the Project Area and the Redevelopment Plan, such ultimate retirement date occurring in the year 2021. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

## **I. Valuation of the Project Area**

### **1. Most Recent EAV of Properties in the Project Area**

The most recent (1997) EAV of all taxable parcels within the Project Area is estimated to be \$7,257,061. This 1997 EAV is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by the County. The 1997 EAV of the Project Area is summarized in Exhibit II: *1997 EAV by Tax Parcel: Project Area*.

If the 1997 EAV figures for all taxable parcels within the Project Area shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, and the City update the Redevelopment Plan by replacing the 1996 EAV with the 1997 EAV without further City Council action.

### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2013 (collection year 2014), the assumed end of a 15 year buildout period and following the construction of mixed-income residential developments, commercial developments and redevelopment, roadway and utility improvements, installation of additional and upgraded lighting, improved signage and landscaping, etc. and substantial completion of potential Redevelopment Projects, as currently anticipated, the EAV of the Project Area is estimated to total approximately \$84 million. Uses for revenue collected based on the increased EAV after the buildout period will depend on the method used to finance redevelopment activities, and the additional actions that may need to be taken by the City in furtherance of the Plan. Such actions may include assisting private redevelopment or providing public improvements. No surplus can be declared until all obligations are retired, and all Redevelopment Project Costs have been incurred. Once all obligations incurred have been satisfied, and all Redevelopment Project Costs have been incurred the Redevelopment Project can be dismantled.

Estimates are based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) inflation of EAV of 2% per triennial reassessment period; 3) approximately 2.5 million square feet of taxable residential space will be constructed in the Project Area; 4) approximately 406,000 square feet of commercial space will be constructed in the Project Area; 5) approximately 979,000 square feet of land, formerly tax exempt status, will be placed on the tax rolls and; 6) the five year average state equalization factor of 2.1240 (tax years 1992 through 1996) is used in all years to calculate estimated EAV.

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

As described in *Section III* of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blight factors that are reasonably distributed throughout the Project Area. These factors are widespread within the Project Area and represent major impediments to sound growth and development.

The decline and lack of private investment in the Project Area are evidenced by the following:

### **The Physical Condition of the Project Area**

- Specifically, the age of structures, dilapidation, obsolescence, deterioration, the illegal use of individual structures, the presence of structures below minimum code standards, excessive vacancies, overcrowding of structures and community facilities, a lack of ventilation, light, or sanitary facilities, inadequate utilities, excessive land coverage, deleterious land-use or lay-out, depreciation of physical maintenance and a lack of community planning
- From January 1, 1993 through December 1997, 195 building code violations have been cited within the Project Area by the City of Chicago Department of Buildings

### **Lack of New Construction by Private Enterprise**

- Within the last five years, only 8 building permits have been issued for the construction of new structures in the Project Area. These permits represent an estimated \$627,460 in building projects. However, only 5 of these permits, representing an estimated \$263,000 in building projects, are attributable to private investment. The remaining permits represent publicly funded construction projects.

### **Lack of Renovation by Private Enterprise**

- There has been no large-scale, comprehensive rehabilitation of existing private buildings within the Project Area for at least five years.
- Over the last 5 years, more than 97% of the dollar value of all projects requiring building permits, inclusive of new construction, rehabilitation of existing structures and work performed to bring building into compliance with code, has been attributable to public spending and not due to private investment.
- Nine building permits issued over the last 5 years, representing a total estimated project cost of \$124,650, are for repairs done by the order of the City of Chicago Department of Buildings.

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

- Between 1991 and 1997, the assessed valuation (the "AV") of the privately held, taxable property in the Project Area increased by only 5.94% (from \$3,187,660 to \$3,377,105). During the same period, the AV of the City as a whole increased by 16.25% (from \$13,349,817,293 to \$15,519,362,105).
- Between 1991 and 1997, the equalized assessed value (the "EAV") of the privately held, taxable property in the Project Area increased by only 10.93% (from \$6,542,035 to \$7,257,061). During the same period, the EAV of the City as a whole increased by 21.72% (from \$27,397,830,030 to \$33,349,557,227).

**Impediments to Future Development**

Development of the Project Area cannot be reasonably anticipated without intervention from the City and adoption of this Redevelopment Plan due to the following impediments:

- Incentive to maintain or upgrade properties is reduced by the overall appearance of disinvestment and blight associated with the overall Project Area.
- Street conditions, within much of the Project Area, are poor and lacking curbs, gutters and street lights.
- The diversity of ownership of land needed to be assembled for any large scale redevelopment along the Ashland Avenue and Roosevelt Road Frontages.

**Problems Symptomatic of a Lack of Private and Public Investment**

According to the *July 17, 1997 Redevelopment Fact Sheet*, prepared by the CHA:

- The overall occupancy rate of ABLA is only 57%.
- ABLA is characterized by the manifestations of a lack of maintenance of building exteriors as well as advanced deterioration of all building systems.
- The CHA has been cited for numerous code violations throughout the development.
- On average the crime rate of ABLA is 5 times higher than that of the City.

Contained in the Act is the provision that TIF may only be used if the Project Area were not to be reasonably expected to be redeveloped "but for" the use of TIF. The preceding statements are meant as supporting evidence to meet this "but for" test.

The Project Area is a blighted area as evidenced in the accompanying Eligibility Study, Exhibit III. The Project Area on the whole has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be re-developed without the efforts and leadership of the City and the adoption of this Redevelopment Plan for the Project Area.

## VII. FINANCIAL IMPACT

Without the adoption of the Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives, there is a prospect that blight factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

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

The Redevelopment Project is expected to have significant positive financial impacts on the taxing districts affected by this Redevelopment Plan. After the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

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

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

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

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

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Project Area. The City of Chicago Library Fund was formerly a separate taxing district from the City. While it no longer extends taxing levies as a separate taxing agency it continues to exist for the purpose of receiving delinquent taxes. The Library Fund now levies taxes as a fund within the total rate of the City of Chicago.

#### *A. Impact of the Redevelopment Project*

The replacement of vacant and underutilized properties within the Project Area may cause increased demand for services and/or capital improvements to be provided by the Metropolitan Water Reclamation District, the City and possibly the Chicago Public Schools. The nature of the estimated increased demands on these taxing districts are described below:

Metropolitan Water Reclamation District of Greater Chicago. The CHA's construction of new replacement housing within the ABLA development along with the rehabilitation of many dwelling units may increase occupancy levels in ABLA. In addition, a possible resurgence of viable commercial properties in the Project Area may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

City of Chicago. The replacement of vacant and underutilized properties with new and rehabilitated residential dwelling units along with resulting business development may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc.



**Chicago Public Schools.** The addition to and rehabilitation of the housing stock within the Project Area may result in an increased population of school aged children. Capacity for additional students exists at schools within the Redevelopment Project Area, as well as at schools in the vicinity of the Project Area. However, the extent to which unused capacity is actually suitable for use has not been determined.

***B. Program to Address Increased Demand for Services or Capital Improvements***

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

As it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District, no assistance is proposed for the Metropolitan Water Reclamation District.

If it is determined that actions on the part of the City which are directly linked to this Redevelopment Plan increase the demand on the Chicago Public Schools beyond their existing capacity at facilities with attendance areas which overlap with any portion of the Project Area the City may compensate the Chicago Public Schools for some portion of their increased costs, provided they are TIF eligible expenses.

If it is determined that actions on the part of the City which are directly linked to this Redevelopment Plan increase the demand on the Chicago Park District at facilities within the Project Area the City may compensate the Chicago Park District for some portion of their increased costs, provided they are TIF eligible expenses.

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

Exhibit I to this Redevelopment Plan illustrates the preliminary allocation of Redevelopment Project Costs.

### **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include the generalized land uses set forth in Figure 2, as approved by the Chicago Plan Commission prior to the adoption of the Redevelopment Plan by the City Council of the City.

### **X. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

Estimates of anticipated EAV assume a buildout period for improvements of 15 years; the maximum legal life of a TIF is 23 years. All obligations incurred as a result of this Plan must be met within the 23 year maximum life of the TIF. It is currently assumed that tax increment revenues will be used every year of this TIF's existence to fund eligible Redevelopment Project Costs.

### **XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.

## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES, AFFIRMATIVE ACTION PLAN AND PREVAILING WAGE AGREEMENT**

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

- A) The assurance of equal opportunity in all personnel and employment actions, 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) Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirement as required in redevelopment agreements.
- C) 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, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

[Figures 1, 2, 3 and 4 referred to in this Roosevelt/Racine Tax Increment Financing Redevelopment Project and Plan printed on pages 37880 through 37883 of this *Journal*.]

(Sub)Exhibits I, II, III, IV and V referred to in this Roosevelt/Racine Tax Increment Financing Redevelopment Project and Plan read as follows:

*(Sub)Exhibit I.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Redevelopment Project Costs.*

**ELIGIBLE EXPENSE**

	<u>Estimated Cost</u>
Analysis, Administration, Studies, Surveys, Legal, etc.	\$ 1,000,000
<b>Property Assembly</b>	
-Acquisition	6,000,000
-Site Prep and Demolition	1,500,000
-Environmental Remediation	2,000,000
<b>Rehabilitation of Existing Buildings</b>	1,000,000
<b>Public Works &amp; Improvements<sup>1</sup></b>	
-Streets and Utilities	10,000,000
-Parks and Open Space	6,000,000
-Public Facilities	10,000,000
<b>Relocation Costs</b>	2,000,000
<b>Job Training</b>	6,500,000
<b>Developer/Interest Subsidy</b>	<u>1,000,000</u>
<b>TOTAL<sup>2,3</sup></b>	\$ 47,000,000

[1.] This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, the City may pay, or reimburse all, or a portion of the Board of Education's and the Park District's capital costs resulting from the Redevelopment Project, pursuant to a written agreement by the City accepting and approving such costs.

[2.] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.

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

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel*  
 (Page 1 of 7)

Count	PINs	1997 EAV	Count	PINs	1997 EAV
1	17-17-320-001-0000	Exempt	33	17-20-100-023-0000	3,382
2	17-17-320-002-0000	Exempt	34	17-20-100-024-0000	20,170
3	17-17-321-001-0000	Exempt	35	17-20-100-042-0000	Exempt
4	17-17-322-009-0000	Exempt	36	17-20-100-043-0000	Exempt
5	17-17-323-001-0000	Exempt	37	17-20-100-044-0000	Exempt
6	17-17-332-005-0000	Exempt	38	17-20-100-045-0000	Exempt
7	17-17-333-001-0000	Exempt	39	17-20-100-046-0000	228,359
8	17-17-333-002-0000	Exempt	40	17-20-101-001-0000	3,378
9	17-17-333-003-0000	Exempt	41	17-20-101-002-0000	9,700
10	17-17-333-004-0000	Exempt	42	17-20-101-003-0000	7,672
11	17-17-333-005-0000	Exempt	43	17-20-101-004-0000	17,608
12	17-17-333-006-0000	Exempt	44	17-20-101-005-0000	44,087
13	17-17-334-003-0000	Exempt	45	17-20-101-006-0000	47,639
14	17-17-334-004-0000	Exempt	46	17-20-101-007-0000	16,994
15	17-17-334-005-0000	Exempt	47	17-20-101-008-0000	51,975
16	17-20-100-006-0000	34,058	48	17-20-101-009-0000	18,481
17	17-20-100-007-0000	27,467	49	17-20-101-010-0000	23,157
18	17-20-100-008-0000	3,339	50	17-20-101-011-0000	10,020
19	17-20-100-009-0000	3,339	51	17-20-101-012-0000	7,884
20	17-20-100-010-0000	3,339	52	17-20-101-039-0000	Exempt
21	17-20-100-011-0000	Exempt	53	17-20-101-040-0000	24,444
22	17-20-100-012-0000	3,339	54	17-20-101-041-0000	Exempt
23	17-20-100-013-0000	3,339	55	17-20-102-001-0000	164,898
24	17-20-100-014-0000	5,009	56	17-20-102-002-0000	8,677
25	17-20-100-015-0000	20,077	57	17-20-102-003-0000	8,426
26	17-20-100-016-0000	55,762	58	17-20-102-004-0000	54,541
27	17-20-100-017-0000	3,339	59	17-20-102-007-0000	6,722
28	17-20-100-018-0000	3,339	60	17-20-102-008-0000	3,657
29	17-20-100-019-0000	38,869	61	17-20-102-009-0000	3,657
30	17-20-100-020-0000	47,100	62	17-20-102-010-0000	3,756
31	17-20-100-021-0000	9,391	63	17-20-102-011-0000	Exempt
32	17-20-100-022-0000	3,382	64	17-20-102-012-0000	3,479

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel*  
 (Page 2 of 7)

Count	PINs	1997 EAV	Count	PINs	1997 EAV
65	17-20-102-013-0000	9,992	97	17-20-103-015-0000	4,349
66	17-20-102-014-0000	9,992	98	17-20-103-046-0000	Exempt
67	17-20-102-015-0000	21,747	99	17-20-103-047-0000	Exempt
68	17-20-102-016-0000	6,818	100	17-20-103-048-0000	104,464
69	17-20-102-017-0000	3,339	101	17-20-103-050-0000	201,199
70	17-20-102-018-0000	7,313	102	17-20-104-001-0000	Exempt
71	17-20-102-019-0000	15,857	103	17-20-104-002-0000	13,858
72	17-20-102-020-0000	8,265	104	17-20-104-003-0000	15,034
73	17-20-102-021-0000	25,464	105	17-20-104-004-0000	13,235
74	17-20-102-045-0000	Exempt	106	17-20-104-022-0000	Exempt
75	17-20-102-046-0000	Exempt	107	17-20-104-023-0000	Exempt
76	17-20-102-047-0000	Exempt	108	17-20-104-024-0000	Exempt
77	17-20-102-048-0000	Exempt	109	17-20-104-025-0000	Exempt
78	17-20-102-049-0000	Exempt	110	17-20-104-026-0000	Exempt
79	17-20-102-050-0000	Exempt	111	17-20-104-027-0000	Exempt
80	17-20-102-051-0000	Exempt	112	17-20-104-047-0000	Exempt
81	17-20-102-052-0000	Exempt	113	17-20-104-048-0000	Exempt
82	17-20-102-053-0000	23,492	114	17-20-104-049-0000	Exempt
83	17-20-103-001-0000	49,083	115	17-20-104-050-0000	Exempt
84	17-20-103-002-0000	8,254	116	17-20-105-009-0000	Exempt
85	17-20-103-003-0000	8,254	117	17-20-105-010-0000	Exempt
86	17-20-103-004-0000	10,794	118	17-20-105-011-0000	Exempt
87	17-20-103-005-0000	10,959	119	17-20-105-020-0000	Exempt
88	17-20-103-006-0000	8,546	120	17-20-105-021-0000	Exempt
89	17-20-103-007-0000	10,626	121	17-20-105-022-0000	Exempt
90	17-20-103-008-0000	4,349	122	17-20-105-023-0000	Exempt
91	17-20-103-009-0000	4,349	123	17-20-105-024-0000	Exempt
92	17-20-103-010-0000	23,285	124	17-20-105-025-0000	Exempt
93	17-20-103-011-0000	127,668	125	17-20-105-026-0000	Exempt
94	17-20-103-012-0000	8,699	126	17-20-105-027-0000	Exempt
95	17-20-103-013-0000	4,349	127	17-20-105-028-0000	Exempt
96	17-20-103-014-0000	10,128	128	17-20-105-029-0000	Exempt

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel.*  
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Count	PINs	1997 EAV	Count	PINs	1997 EAV
129	17-20-105-030-0000	Exempt	161	17-20-108-044-0000	Exempt
130	17-20-105-031-0000	Exempt	162	17-20-108-045-0000	Exempt
131	17-20-105-032-0000	Exempt	163	17-20-109-001-0000	Exempt
132	17-20-105-033-0000	Exempt	164	17-20-109-002-0000	Exempt
133	17-20-105-034-0000	Exempt	165	17-20-109-003-0000	Exempt
134	17-20-105-035-0000	Exempt	166	17-20-109-004-0000	Exempt
135	17-20-105-036-0000	Exempt	167	17-20-109-005-0000	Exempt
136	17-20-105-037-0000	Exempt	168	17-20-109-006-0000	Exempt
137	17-20-105-038-0000	Exempt	169	17-20-109-007-0000	Exempt
138	17-20-105-039-0000	Exempt	170	17-20-109-008-0000	Exempt
139	17-20-105-040-0000	Exempt	171	17-20-109-009-0000	Exempt
140	17-20-105-041-0000	Exempt	172	17-20-109-010-0000	Exempt
141	17-20-105-042-0000	Exempt	173	17-20-109-011-0000	Exempt
142	17-20-105-043-0000	Exempt	174	17-20-109-012-0000	Exempt
143	17-20-105-044-0000	Exempt	175	17-20-109-013-0000	Exempt
144	17-20-105-045-0000	Exempt	176	17-20-109-014-0000	Exempt
145	17-20-105-047-0000	Exempt	177	17-20-109-015-0000	Exempt
146	17-20-105-048-0000	Exempt	178	17-20-109-016-0000	Exempt
147	17-20-106-056-0000	Exempt	179	17-20-109-017-0000	Exempt
148	17-20-106-057-0000	Exempt	180	17-20-109-018-0000	Exempt
149	17-20-106-058-0000	Exempt	181	17-20-109-019-0000	Exempt
150	17-20-106-059-0000	Exempt	182	17-20-109-020-0000	Exempt
151	17-20-106-060-0000	Exempt	183	17-20-109-021-0000	Exempt
152	17-20-106-061-0000	Exempt	184	17-20-109-022-0000	Exempt
153	17-20-107-046-0000	Exempt	185	17-20-109-023-0000	Exempt
154	17-20-108-001-0000	35,240	186	17-20-109-024-0000	Exempt
155	17-20-108-002-0000	2,802	187	17-20-109-025-0000	Exempt
156	17-20-108-003-0000	5,469	188	17-20-109-026-0000	Exempt
157	17-20-108-004-0000	5,469	189	17-20-109-027-0000	Exempt
158	17-20-108-005-0000	Exempt	190	17-20-109-028-0000	Exempt
159	17-20-108-022-0000	Exempt	191	17-20-109-029-0000	Exempt
160	17-20-108-023-0000	Exempt	192	17-20-109-030-0000	Exempt

*(Sub)Exhibit II.***(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)*****Estimated Equalized Assessed Valuation By Tax Parcel***  
**(Page 4 of 7)**

Count	PINs	1997 EAV	Count	PINs	1997 EAV
193	17-20-109-031-0000	Exempt	225	17-20-112-011-0000	845
194	17-20-109-032-0000	Exempt	226	17-20-112-012-0000	Exempt
195	17-20-109-033-0000	Exempt	227	17-20-112-013-0000	Exempt
196	17-20-109-034-0000	Exempt	228	17-20-112-037-0000	20,634
197	17-20-109-035-0000	Exempt	229	17-20-112-038-0000	Exempt
198	17-20-109-036-0000	Exempt	230	17-20-112-039-0000	Exempt
199	17-20-109-037-0000	Exempt	231	17-20-112-040-0000	Exempt
200	17-20-109-038-0000	Exempt	232	17-20-112-041-0000	Exempt
201	17-20-109-039-0000	Exempt	233	17-20-113-001-0000	Exempt
202	17-20-109-040-0000	Exempt	234	17-20-113-002-0000	Exempt
203	17-20-109-041-0000	Exempt	235	17-20-113-003-0000	Exempt
204	17-20-109-042-0000	Exempt	236	17-20-113-004-0000	Exempt
205	17-20-109-043-0000	Exempt	237	17-20-113-005-0000	Exempt
206	17-20-110-051-0000	Exempt	238	17-20-113-006-0000	Exempt
207	17-20-111-005-0000	Exempt	239	17-20-113-007-0000	Exempt
208	17-20-111-013-0000	Exempt	240	17-20-113-008-0000	Exempt
209	17-20-111-014-0000	Exempt	241	17-20-113-009-0000	Exempt
210	17-20-111-015-0000	Exempt	242	17-20-113-010-0000	Exempt
211	17-20-111-022-0000	Exempt	243	17-20-113-011-0000	Exempt
212	17-20-111-023-0000	Exempt	244	17-20-113-012-0000	Exempt
213	17-20-111-024-0000	Exempt	245	17-20-113-013-0000	Exempt
214	17-20-111-025-0000	Exempt	246	17-20-113-014-0000	Exempt
215	17-20-111-026-0000	Exempt	247	17-20-113-015-0000	Exempt
216	17-20-111-027-0000	Exempt	248	17-20-113-016-0000	Exempt
217	17-20-112-001-0000	10,396	249	17-20-113-017-0000	Exempt
218	17-20-112-002-0000	3,056	250	17-20-113-018-0000	Exempt
219	17-20-112-003-0000	4,158	251	17-20-113-019-0000	Exempt
220	17-20-112-004-0000	29,137	252	17-20-113-020-0000	Exempt
221	17-20-112-005-0000	15,195	253	17-20-113-045-0000	Exempt
222	17-20-112-006-0000	55,850	254	17-20-114-044-0000	Exempt
223	17-20-112-009-0000	845	255	17-20-115-048-0000	Exempt
224	17-20-112-010-0000	845	256	17-20-115-049-0000	Exempt



*(Sub)Exhibit II.*

(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel.*  
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Count	PINs	1997 EAV	Count	PINs	1997 EAV
257	17-20-116-001-0000	Exempt	289	17-20-119-011-0000	Exempt
258	17-20-116-002-0000	14,060	290	17-20-119-012-0000	Exempt
259	17-20-116-003-0000	2,837	291	17-20-119-013-0000	Exempt
260	17-20-116-004-0000	18,584	292	17-20-119-014-0000	Exempt
261	17-20-116-005-0000	13,098	293	17-20-119-015-0000	Exempt
262	17-20-116-006-0000	2,837	294	17-20-119-019-0000	Exempt
263	17-20-116-008-0000	16,768	295	17-20-119-020-0000	Exempt
264	17-20-116-009-0000	Exempt	296	17-20-119-021-0000	Exempt
265	17-20-116-010-0000	2,837	297	17-20-119-022-0000	Exempt
266	17-20-116-011-0000	10,375	298	17-20-119-023-0000	Exempt
267	17-20-116-046-0000	Exempt	299	17-20-119-024-0000	Exempt
268	17-20-116-047-0000	Exempt	300	17-20-119-025-0000	Exempt
269	17-20-116-048-0000	44,839	301	17-20-119-026-0000	Exempt
270	17-20-116-049-0000	1,730	302	17-20-119-027-0000	Exempt
271	17-20-116-050-0000	4,306	303	17-20-119-028-0000	Exempt
272	17-20-116-051-0000	41,177	304	17-20-119-029-0000	Exempt
273	17-20-117-050-0000	Exempt	305	17-20-119-030-0000	Exempt
274	17-20-117-051-0000	Exempt	306	17-20-119-031-0000	Exempt
275	17-20-118-024-0000	Exempt	307	17-20-119-032-0000	Exempt
276	17-20-118-025-0000	Exempt	308	17-20-119-033-0000	Exempt
277	17-20-118-026-0000	Exempt	309	17-20-120-001-0000	Exempt
278	17-20-118-027-0000	Exempt	310	17-20-121-022-0000	Exempt
279	17-20-119-001-0000	Exempt	311	17-20-121-023-0000	Exempt
280	17-20-119-002-0000	Exempt	312	17-20-121-033-0000	Exempt
281	17-20-119-003-0000	Exempt	313	17-20-121-034-0000	Exempt
282	17-20-119-004-0000	Exempt	314	17-20-121-035-0000	Exempt
283	17-20-119-005-0000	Exempt	315	17-20-121-036-0000	Exempt
284	17-20-119-006-0000	Exempt	316	17-20-121-040-0000	Exempt
285	17-20-119-007-0000	Exempt	317	17-20-122-040-0000	Exempt
286	17-20-119-008-0000	Exempt	318	17-20-122-041-0000	Exempt
287	17-20-119-009-0000	Exempt	319	17-20-123-037-0000	Exempt
288	17-20-119-010-0000	Exempt	320	17-20-124-001-0000	Exempt

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel*  
 (Page 6 of 7)

Count	PINs	1997 EAV	Count	PINs	1997 EAV
321	17-20-124-002-0000	Exempt	353	17-20-127-001-0000	631,871
322	17-20-124-003-0000	Exempt	354	17-20-127-002-0000	1,405
323	17-20-124-004-0000	Exempt	355	17-20-127-003-0000	1,405
324	17-20-124-005-0000	Exempt	356	17-20-127-004-0000	1,405
325	17-20-124-006-0000	Exempt	357	17-20-127-005-0000	1,405
326	17-20-124-007-0000	Exempt	358	17-20-127-006-0000	1,405
327	17-20-124-008-0000	Exempt	359	17-20-127-007-0000	1,405
328	17-20-124-009-0000	Exempt	360	17-20-127-008-0000	1,405
329	17-20-124-010-0000	Exempt	361	17-20-127-009-0000	1,405
330	17-20-124-011-0000	Exempt	362	17-20-127-010-0000	1,405
331	17-20-124-012-0000	Exempt	363	17-20-127-011-0000	1,405
332	17-20-124-013-0000	Exempt	364	17-20-127-012-0000	1,405
333	17-20-124-014-0000	Exempt	365	17-20-127-013-0000	1,405
334	17-20-124-019-0000	Exempt	366	17-20-127-014-0000	1,405
335	17-20-124-020-0000	Exempt	367	17-20-127-015-0000	1,405
336	17-20-125-001-0000	38,530	368	17-20-128-018-0000	21,783
337	17-20-125-002-0000	7,085	369	17-20-128-020-0000	562,827
338	17-20-125-003-0000	6,470	370	17-20-128-021-0000	112,594
339	17-20-125-004-0000	6,470	371	17-20-128-022-0000	168,901
340	17-20-125-005-0000	6,470	372	17-20-129-001-0000	10,964
341	17-20-125-006-0000	6,470	373	17-20-129-002-0000	8,076
342	17-20-125-007-0000	7,650	374	17-20-129-003-0000	4,171
343	17-20-125-008-0000	6,470	375	17-20-200-014-0000	Exempt
344	17-20-125-009-0000	6,696	376	17-20-200-062-0000	Exempt
345	17-20-125-010-0000	10,319	377	17-20-200-063-0000	Exempt
346	17-20-125-011-0000	21,324	378	17-20-200-064-0000	Exempt
347	17-20-126-001-0000	22,847	379	17-20-201-021-0000	Exempt
348	17-20-126-002-0000	14,645	380	17-20-201-026-0000	Exempt
349	17-20-126-003-0000	26,006	381	17-20-201-027-0000	Exempt
350	17-20-126-004-0000	71,883	382	17-20-201-029-0000	Exempt
351	17-20-126-005-0000	Exempt	383	17-20-201-030-0000	Exempt
352	17-20-126-006-0000	Exempt	384	17-20-201-032-0000	Exempt

*(Sub)Exhibit II.*  
 (To Roosevelt/Racine Tax Increment Financing  
 Redevelopment Project And Plan)

*Estimated Equalized Assessed Valuation By Tax Parcel*  
 (Page 7 of 7)

Count	PINs	1997 EAV	Count	PINs	1997 EAV
385	17-20-201-033-0000	Exempt	418	17-20-210-007-0000	Exempt
386	17-20-201-034-0000	Exempt	419	17-20-210-008-0000	Exempt
387	17-20-201-035-0000	Exempt	420	17-20-210-009-0000	Exempt
388	17-20-201-036-0000	Exempt	421	17-20-210-010-0000	Exempt
389	17-20-202-024-0000	Exempt	422	17-20-210-017-0000	Exempt
390	17-20-202-025-0000	Exempt	423	17-20-210-018-0000	Exempt
391	17-20-202-026-0000	Exempt	424	17-20-210-036-0000	Exempt
392	17-20-202-027-0000	Exempt	425	17-20-210-039-0000	Exempt
393	17-20-202-028-0000	Exempt	426	17-20-210-040-0000	Exempt
394	17-20-202-029-0000	Exempt	427	17-20-210-041-0000	Exempt
395	17-20-202-030-0000	Exempt	428	17-20-211-037-0000	356,399
396	17-20-202-031-0000	Exempt	429	17-20-211-038-0000	Exempt
397	17-20-202-032-0000	Exempt	430	17-20-211-040-0000	Exempt
398	17-20-202-033-0000	Exempt	431	17-20-212-001-0000	25,194
399	17-20-202-034-0000	Exempt	432	17-20-212-002-0000	8,172
400	17-20-202-035-0000	Exempt	433	17-20-212-003-0000	8,873
401	17-20-202-036-0000	Exempt	434	17-20-212-004-0000	4,545
402	17-20-202-037-0000	Exempt	435	17-20-212-005-0000	4,051
403	17-20-202-038-0000	Exempt	436	17-20-212-006-0000	5,824
404	17-20-202-049-0000	Exempt	437	17-20-212-007-0000	4,807
405	17-20-202-053-0000	Exempt	438	17-20-212-008-0000	3,625
406	17-20-202-054-0000	Exempt	439	17-20-212-009-0000	4,852
407	17-20-202-055-0000	Exempt	440	17-20-213-088-0000	365,463
408	17-20-202-056-0000	Exempt	441	17-20-213-090-0000	387,621
409	17-20-202-057-0000	Exempt	442	17-20-213-092-0000	Exempt
410	17-20-207-045-0000	Exempt	443	17-20-214-016-0000	139,141
411	17-20-208-041-0000	Exempt	444	17-20-214-020-0000	282,570
412	17-20-209-022-0000	710,555	445	17-20-220-061-0000	188,250
413	17-20-210-002-0000	Exempt	446	17-20-220-062-0000	10,787
414	17-20-210-003-0000	Exempt	447	17-20-220-065-0000	751,728
415	17-20-210-004-0000	Exempt	448	17-20-500-007-0000	Exempt
416	17-20-210-005-0000	Exempt	449	17-20-500-023-0000	Exempt
417	17-20-210-006-0000	Exempt			
		<b>Totals</b>			<b>7,257,061</b>

*Figure 1.*  
(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)

*Project Area Boundary Map.*

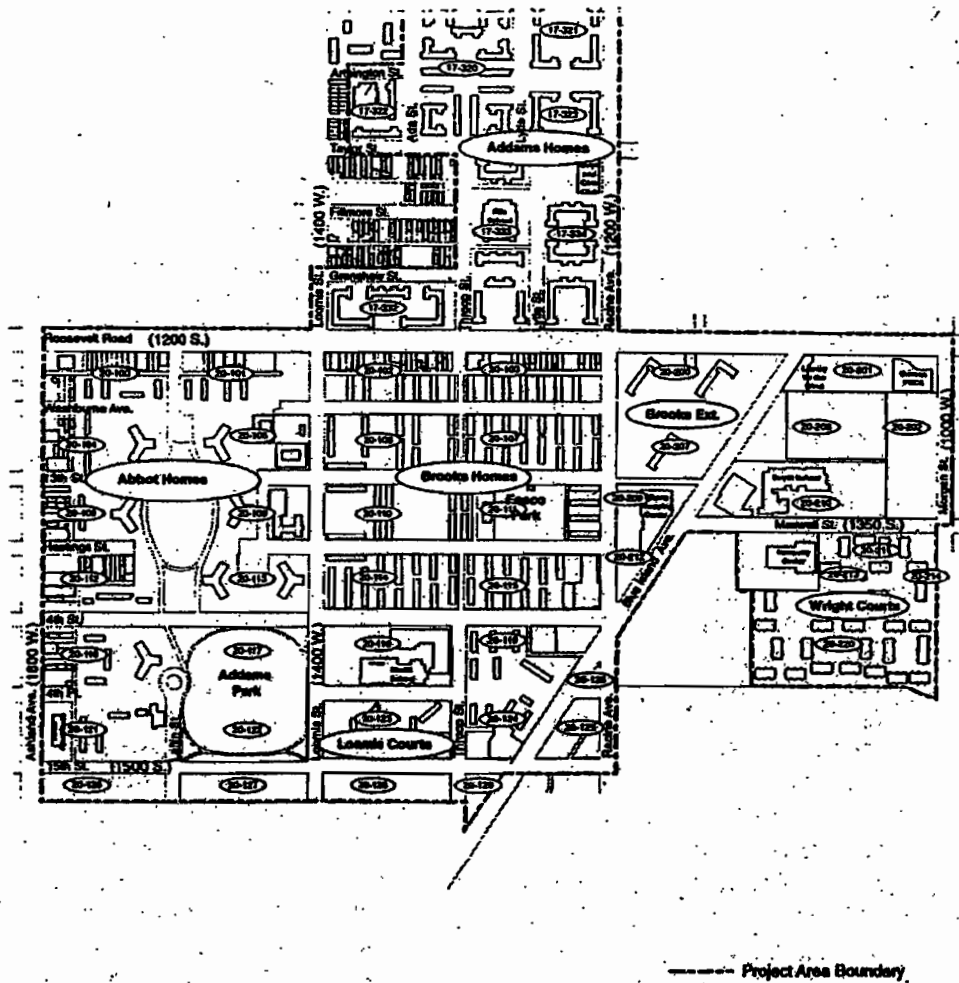


Figure 1  
**Project Area Boundary Map**

*Figure 2.*  
(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)

*Proposed Land-Use Plan.*

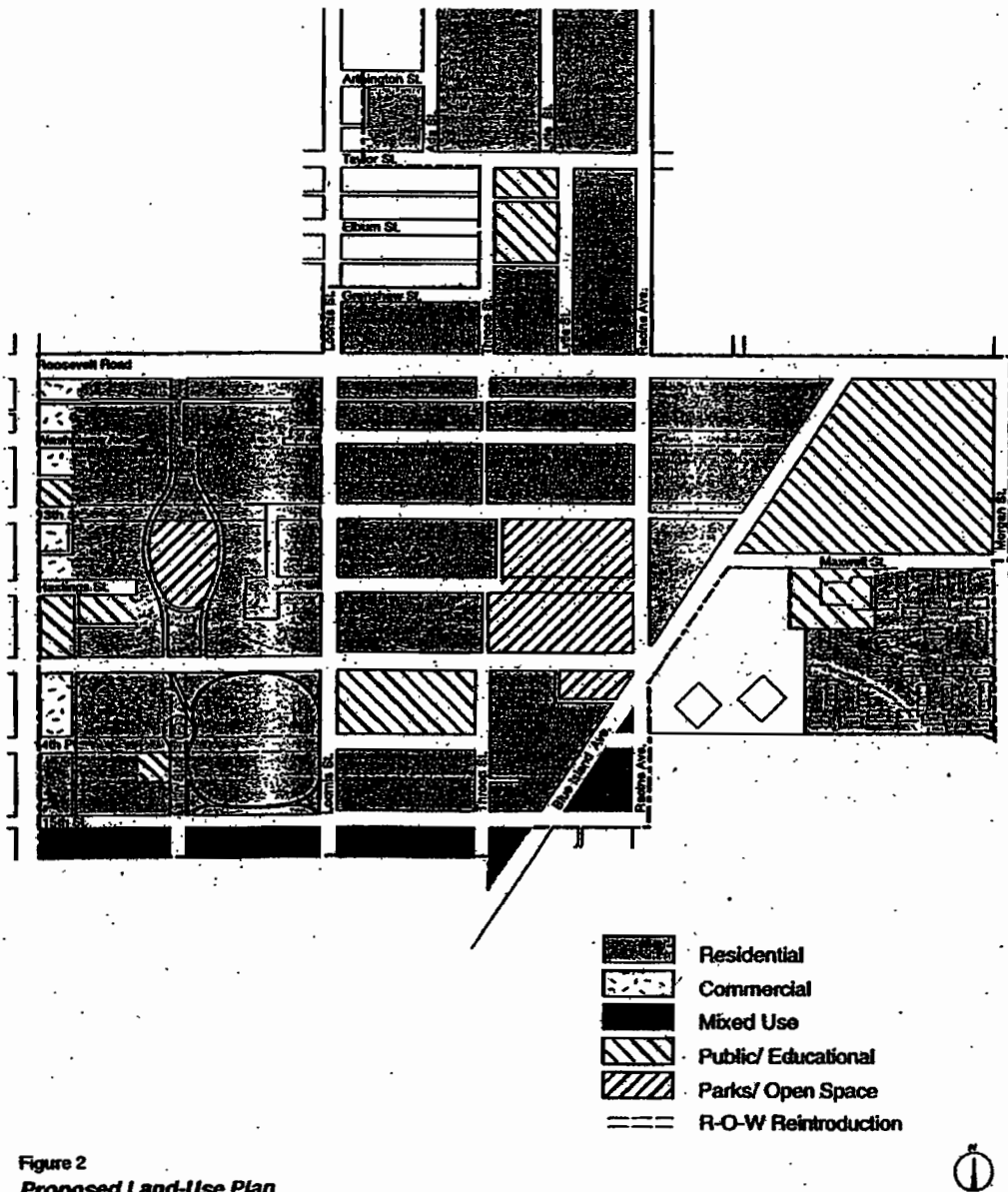
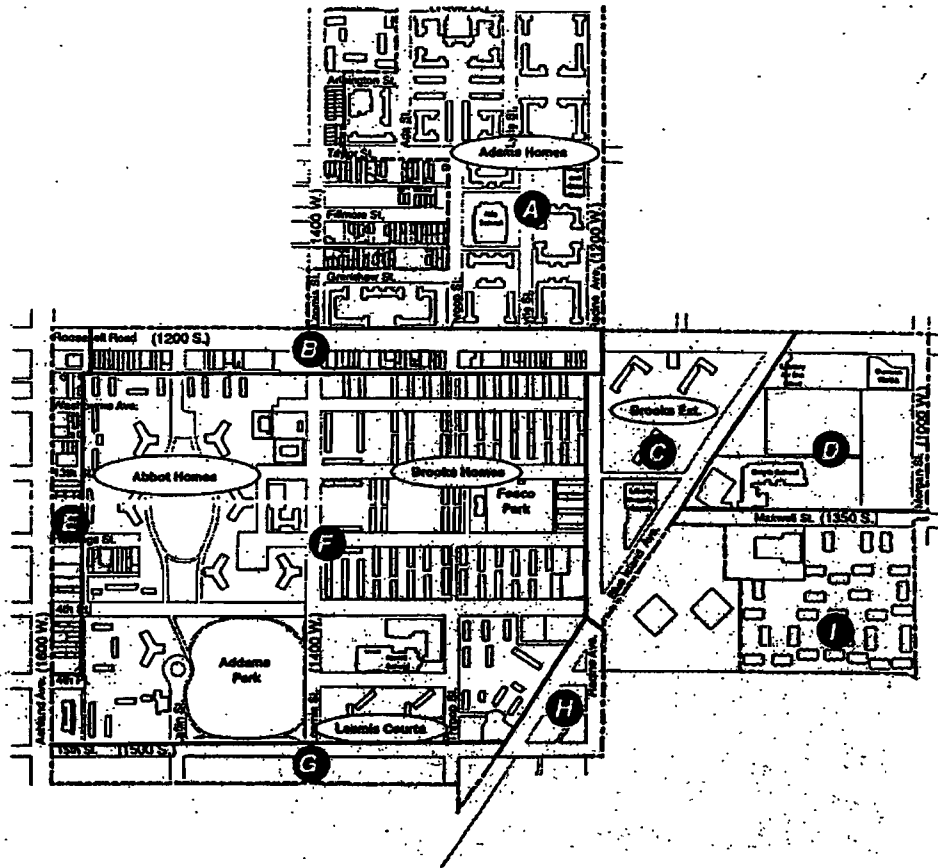


Figure 2  
*Proposed Land-Use Plan*

*Figure 3.*  
**(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)**

*Planning Subareas.*



- Project Area Boundary
- Sub-Area Boundary
- F** Sub-Area

**Figure 3**  
**Planning Subareas**



Figure 4.  
(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)

Acquisition Plan.

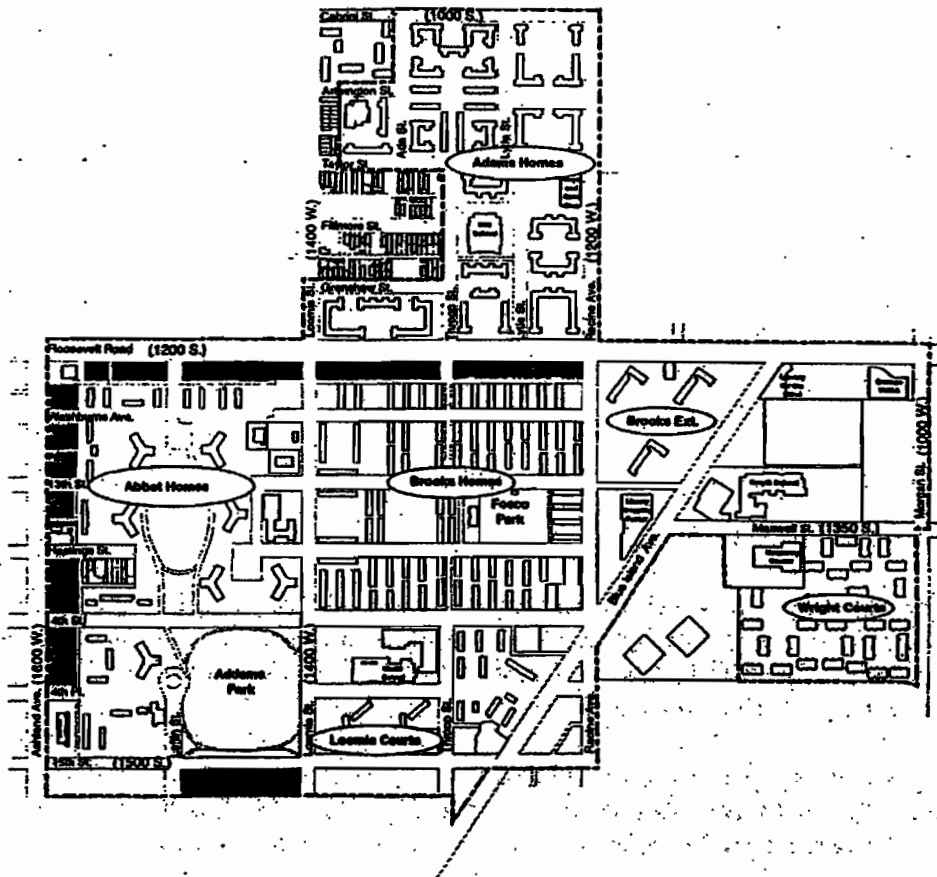


Figure 4  
Acquisition Plan

1

*(Sub)Exhibit III.*  
(To Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan)

*Roosevelt/Racine Tax Increment  
Financing Eligibility Study.*

*City Of Chicago, Illinois.*

## EXECUTIVE SUMMARY

The purpose of this study is to determine whether the Roosevelt/Racine Redevelopment Project Area (the "Project Area") qualifies for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted by Ray/Dawson, P.C., CHA staff and Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") for the Project Area of approximately 211.6 acres located one and one half miles southwest of the central business district of Chicago, Illinois.

The Project Area is an improved area that encompasses 47 tax blocks and 449 tax parcels of various sizes. The Project Area is generally bounded by portions of Cabrini Street and Roosevelt Road on the north; portions of Racine Street, Morgan Street and Blue Island Avenue on the east; 15th Street and 14th Place on the south; and a portion of Ashland Avenue and Loomis Street on the west.

The boundaries of the Project Area are shown on Figure 1, *Boundary Map*. A more detailed description of the Project Area is presented in Section II, *The Roosevelt/Racine Project Area*.

Figure 2, *Current Generalized Land Use*, demonstrates a generalized view of current land use patterns within the Project Area. This figure is generalized and does not constitute the totality of land uses on a parcel by parcel basis within the Project Area.



As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "conservation area" means 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 layout; depreciation of physical maintenance; or lack of community planning—is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

As set forth in the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by: (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of way, or (5) the area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsections (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While it may be concluded that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of blight, this evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be conservation areas or blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Project Area is found to be eligible as a blighted area within the definitions set forth in the Act. Specifically:

- Of the 14 blighting factors set forth in the Act for "improved" blighted areas, 10 are present in the Project Area. Nine factors (age, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use or layout, depreciation of physical maintenance and lack of community planning) are present to a major extent and one factor (dilapidation) is present to a limited extent. When assessing whether a factor is present to a major or minor extent throughout the Project Area as a whole, the scope and severity of that factor is considered. Therefore the determination of major or minor extent is not simply a determination of a majority or minority of blocks with the factor present to a major or minor extent.
- The factors present are reasonably distributed throughout the Project Area.
- All 47 blocks within the Project Area show the presence of blight factors.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment/project improvements.

## **I. BASIS FOR REDEVELOPMENT**

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

1. That there exists in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a

redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project area qualifies either as a "blighted area" or as a "conservation area" within the definitions for each set forth in the Act (Section 11-74.4-3). These definitions are described below.

### **ELIGIBILITY OF A BLIGHTED AREA**

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

- Age
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- The area immediately prior to becoming vacant qualified as a blighted improved area.
- The area consists of an unused quarry or unused quarries.
- The area consists of unused rail yards, rail tracks or railroad rights-of-way.
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts upon real property which is included in, or is in proximity to, any improvement on real property which has been in existence for at least five years and which substantially contributes to such flooding.

- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.
- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in the first bullet point listed above, and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

#### **ELIGIBILITY OF A CONSERVATION AREA**

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

- 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 lay-out
- Depreciation of physical maintenance
- Lack of community planning

While the Act defines a blighted area and a conservation area, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to determine that a factor exists. Therefore, reasonable criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following principles have been applied:

1. The minimum number of factors must be present and the presence of each must be documented;
2. For a factor to be considered present, it should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The factors should be reasonably distributed throughout the redevelopment project area.

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

## II. THE ROOSEVELT/RACINE PROJECT AREA

The Project Area is generally bounded on the north by sections of Cabrini Street and Roosevelt Road; on the east by Racine Avenue, Morgan Street and Blue Island Avenue; on the south by 15th Street and 14th Place; and on the west by Ashland Avenue and Loomis Street.

In total, the Project Area contains 257 buildings, 47 tax blocks, 449 tax parcels of various sizes and encompasses 211.6 acres of land. The acreage is distributed as indicated in Table 1 below.

The Project Area is dominated by the ABLA Public Housing Areas. ABLA is an acronym for five distinct housing developments which include: Jane Addams Homes, Robert Brooks Homes, Brooks Extension, Loomis Courts, Grace Abbott Homes and the Jones Senior Apartments. Another large housing area within the Project Area is the Barbara Jean Wright Courts located east of Blue Island Avenue, consisting of 272 units in 27 buildings of varying size. In addition to these housing developments, commercial frontage on Ashland Avenue, between 15th Street and Roosevelt Road and along Roosevelt Road, between Ashland Avenue and Loomis Street is included. Three blocks of industrial activity along 15th Street, between Ashland Avenue and Throop Street is also within the Project Area.

**Table 1: Acreage Distribution  
Roosevelt/Racine Project Area**

<u>Area</u>	<u>Land Area</u>	<u>R.O.W</u>	<u>Total</u>
• Addams Homes	26.6	11.8	38.4
• Brooks Homes	24.8	6.8	31.6
• Brooks Extension	7.6		7.6
• Abbott Homes	41.2	3.9	45.1
• Loomis Courts	3.6		3.6
• Jones Sr. Apartments	.8		.8
• Total CHA Housing Areas	104.6	22.5	127.1
• Barbara Jean Wright Courts	13.9		13.9
• Ashland/Roosevelt Frontage	6.9	2.4	9.3
• 15th Street Industrial Frontage	4.9	.4	5.3
• Other commercial/public areas	21.8		21.8
• Remaining streets and alleys		34.2	34.2
<b>Area Total</b>	<b>152.1</b>	<b>59.5</b>	<b>211.6</b>

The Project Area includes the five ABLA housing developments, Barbara Jean Wright Courts and the commercial and industrial frontage of Ashland Avenue, Roosevelt Road and 15th Street. The Project Area is characterized by conditions which may be some of the most serious evidence of urban decay in this portion of the City or any comparable area.

The ABLA housing developments range in age from 60 to 38 years while the Barbara Jean Wright Courts are approximately 25 years old. They suffer from years of deferred maintenance, obsolete mechanical systems excessive maintenance costs, vacancies, vandalism, deterioration, uninhabitable and unsanitary conditions and other factors. The combination of which has impacted the area, creating the current conditions.

The super-blocks within the ABLA portion of the Project Area display an excessive density of dwelling units within buildings as well as a close placement of buildings within blocks. This contributes to problems caused by the improper layout of blocks and buildings; for example, a lack of recreational space and adequate vehicle parking space. There is no recreational space within the Barbara Jean Wright Courts. The commercial frontage also contains similar characteristics including: aging buildings, vacancies, deterioration, debris around properties and conflicting commercial and residential activity in close proximity.

While there are parcels within the Project Area that do not contain buildings they are not devoid of improvements and exhibit blighting factors just as those parcels with buildings present.

### **III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS: IMPROVED AREAS**

An analysis was conducted of each of the blighting eligibility factors listed in the Act to determine which are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by TPAP, Ray/Dawson, P.C. and CHA Staff included:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, alleys, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original and current platting and building size and layout;
6. Analysis of vacant sites and vacant buildings;

7. Analysis of building floor area and site coverage;
8. Analysis of sample building code violations issued to CHA by the City; and
9. Review of previously prepared plans, facility condition studies and data.

Figure 3 presents the survey form used to record building conditions.

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

The following statement of findings is presented for each blight factor listed in the Act. The conditions that exist and the relative extent to which each factor is present in the Project Area are described. What follows is the summary evaluation of the 14 factors for an "improved" blighted area. The factors are presented in order of their listing in the Act.

#### A. AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature, moisture and level of maintenance over an extended period of years, structures which are 35 years or older typically exhibit more problems and require greater maintenance than more recently constructed buildings. Structures within the Project Area include some of the oldest buildings in the City, many of which were built between the 1890's and the 1920's along the commercial corridors of Roosevelt Road and Ashland Avenue. The ABLA housing developments date back to 1938 for the Addams Homes which was the first public assisted housing development in the city. The high rise buildings in the other housing areas were built as recently as the 1960's.

Of the 257 buildings within the Project Area, 217, or 84%, are 35 years of age or older. Age as a factor of blight is present to a major extent in 37 of the 41 blocks in the Project Area containing buildings.

Figure 4, Age, illustrates the location of all buildings in the Project Area which are more than 35 years of age.

#### B. DILAPIDATION

Dilapidation refers to advanced disrepair of buildings and site improvements. Webster's New Collegiate Dictionary defines "dilapidate," "dilapidated" and "dilapidation" as

**Dilapidate**, "... to become or cause to become partially ruined and in need of repairs, as through neglect."  
**Dilapidated**, "... falling to pieces or into disrepair; broken down; shabby and neglected."  
**Dilapidation**, "... dilapidating or becoming dilapidated; a dilapidated condition."

To determine the existence of dilapidation, an assessment was undertaken of all buildings within the Project Area. The process used for assessing building conditions, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation are presented below.

The building condition analysis is based on an exterior inspection of all buildings undertaken during December of 1997 and July of 1998. Noted during the inspections were structural deficiencies in building components and related environmental deficiencies in the Project Area.

#### **1. Building Components Evaluated.**

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

##### **Primary Structural**

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

##### **Secondary Components**

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

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

#### **2. Building Rating Classifications**

Based on the evaluation of building components, each building was rated and classified into one of the following categories:

##### **Sound**

Buildings which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.



**Deficient**

Buildings which contain defects (loose or missing material or holes and cracks) over either limited or widespread areas which may or may not be correctable through the course of normal maintenance (depending on the size of the building or number of buildings in a large complex). Deficient buildings contain defects which, in the case of limited or minor defects, clearly indicate a lack of or a reduced level of maintenance. In the case of major defects, advanced defects are present over widespread areas would require major upgrading and significant investment to correct.

**Dilapidated**

Buildings which contain major defects in primary and secondary components over widespread areas. The defects are so serious and advanced that the building is considered to be substandard, requiring improvements or total reconstruction. Corrective action may not be feasible.

Of the 257 buildings within the Project Area, 11, or 4% are in a substandard (dilapidated) condition. The factor of dilapidation is present to a major extent in 1 block and to a limited extent in 6 blocks of the 41 blocks containing buildings.

It should be noted that the various building rating classifications, i.e. sound, deficient to a minor or major extent or substandard (dilapidated) is based on the exterior survey of structures and property. Typically, in an exterior survey, components which are visible are limited to exterior walls, roofs (not including flat roofs) and secondary components such as windows, doors, porches, steps, chimneys, fascias, gutters and downspouts, etc. Foundations can only be visible over the limited area above grade in some buildings. A detailed interior, exterior survey where many more components are visible, including mechanical systems, would reveal many more defects in the buildings surveyed. Building conditions within the ABLA developments based on interior analysis along with exterior conditions would indicate an increase in all classifications to a higher rating, i.e. minor to major deficient and major deficient to substandard. A review of facility inspection reports and code violation documents for the ABLA developments indicate that interior components and mechanical systems are severely deteriorated and or dilapidated. While these conditions may be present, dilapidation as a factor was based only on the severe conditions of limited visible exterior components of each structure that in combination and criteria resulted in a substandard (dilapidated) rating.

Figure 5, *Dilapidation*, illustrates the location of substandard buildings in the Project Area.

**C. OBSOLESCENCE**

Webster's New Collegiate Dictionary defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

**Functional Obsolescence**

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

**Economic Obsolescence**

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

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

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

**1. Obsolete Building Types**

Functional or economic obsolescence in buildings, which limits their long-term use or reuse, is typically difficult and expensive to correct. Deferred maintenance, deterioration and vacancies often result. The presence of obsolete buildings can have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Characteristics of obsolete buildings include:

- Small, buildings with limited space for existing or long-term utility, unsuitable for expansion.
- Single purpose buildings of limited size, designed for a specific use which are not easily adaptable or suited to other uses. Single purpose buildings which have been added on to or converted to accommodate other activity.
- Multi-story, mixed-use, commercial buildings with store fronts converted to apartments.
- Multi-story industrial buildings with inefficient or outdated mechanical systems, including a lack of central air conditioning, limited lighting and small elevators or the lack of freight elevators.
- Commercial buildings with triangular shapes which result in narrow store fronts with limited depth.
- Older school buildings with high ceilings and single pane windows, resulting in costly upkeep and high energy loss.
- Three and four story residential buildings lacking elevators.

Thirty-eight of the 257 buildings in the Project Area are impacted by obsolescence. Buildings characterized by obsolescence are limited in their efficient or economic use consistent with contemporary standards.

## **2. Obsolete Platting and Layout**

The Project Area was originally platted prior to the turn of the century. The diagonal alignment of Blue Island Avenue contributed to an inconsistent pattern of block sizes and shapes resulting in parcels of varying configurations and depth. Blocks along Roosevelt Road and Ashland Avenue are the remaining frontage of the original blocks which formed the typical street and block grid pattern and still contain the original platting of narrow 25 foot lots. The subsequent development of the super-blocks created for public housing has resulted in a fragmented pattern of blocks with dead-end streets, reduced interior circulation and isolation of these large block areas from the surrounding neighborhood.

Overall, platting, block layout and configuration and the high density building placement of the Project Area is not consistent with modern day standards for residential and commercial development.

### **Conclusion**

Obsolescence, as evidenced by the obsolete buildings and obsolete platting and layout is present to a major extent in 27 blocks and to a limited extent in 18 of the 47 blocks.

Figure 6, *Obsolescence*, illustrates the location of obsolete buildings and obsolete platting and layout in the Project Area.

## **D. DETERIORATION**

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

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack a lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. Minor deficient and major deficient buildings are characterized by defects in the secondary building components (e.g., doors, windows, fire escapes, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, exterior walls, floors, roofs, etc.), respectively.

It should be noted that all buildings and site improvements classified as dilapidated are also deteriorated.

### **Deterioration of Buildings**

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Of the 257 buildings in the Project Area (including dilapidated buildings) 238, or 93%, are classified as exhibiting deterioration.

Table 2, *Summary of Building Deterioration*, summarizes building deterioration within the blocks containing buildings in the Project Area.

### **Deterioration of Parking Areas, Alleys, Streets and Sidewalks**

Field surveys were conducted to identify the condition of streets, alleys, curbs, gutters and sidewalks in the Project Area. All of the alleys in the blocks fronting Roosevelt Road and Ashland Avenue contain deteriorated surfaces with pot holes, broken and cracked pavement with weeds and debris. Interior walks within the Abbott and Brooks housing development are deteriorated with broken, sunken, or missing sections, and cracked surfaces. Poor, irregular and deteriorated street pavement exists along 15th Street near the industrial properties. Broken pavement sections are present in portions of Maxwell street and parking lots within the Barbara Jean Wright Courts contain sections of settling pavement with standing water during rain periods.

Deterioration as a factor is present to a major extent in 40 blocks and to a limited extent in 6 blocks of the total 47 blocks within the Project Area.

Figure 7, *Deterioration*, illustrates deterioration within the Project Area.

### **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

No illegal uses of individual structures were evident from the field surveys conducted.

**F. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards as a factor of blight as defined in the Act, is evidenced by structures which do not meet the applicable subdivision, building, housing, property maintenance, fire, or other governmental codes. The principal purposes of such codes are to require buildings to be constructed so that they will be strong enough to support the loads expected, to be safe against fire and similar hazards, and to establish other minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

A sample of recent code violations incurred by CHA properties within the Project Area was analyzed so as to classify the type of violation. The categories are listed below, by sub-division.

**Addams Homes**

- Fire damage on kitchen wall and base cabinets.
- Holes, peeling paint, loose, broken and missing plaster on interior walls and ceilings
- Broken doors and missing door hardware.
- Broken and missing window panes.
- Broken and missing floor tile.
- Accumulation of refuse and debris.
- Defective plumbing, broken faucets, leaking pipes and drains, bathtub water leaks.
- Infestation of cockroaches and mice.
- Missing smoke detectors.
- Defective lead-based paint.
- Gas, smoke and sewage odors.
- Stagnant water and raw sewage in basement areas.

**Abbott Homes**

- Open masonry joints in chimneys.
- Rotting and broken window sills.
- Exterior stairs with missing parts, handrails, broken concrete.
- Defective fencing and service walks.
- Doors loose and out of openings, missing hardware.
- Broken, missing, or torn screens on storm doors and windows
- Missing dead-bolt locks.
- Windows with missing putty, broken frames and missing hardware
- Missing or broken floor tile.
- Broken or missing light fixtures.
- Cockroach and mice infestation.
- Defective kitchen and bath faucets, defective commode flush tanks.
- Disconnected downspouts.

**Abbott Homes (con't)**

- Broken fascias, soffit and water leaks.
- Defective radiator valves.
- Doors without peep holes.
- Missing smoke alarms.

**Brooks Homes**

- Obstructions and debris in front of exits.
- Loose, peeling paint and plaster on interior walls and ceilings.
- Broken and loose doors.
- Inadequate light and fixtures in common areas.
- Large holes and cracks in interior walls and ceilings.
- Broken and missing floor tile.
- Broken and missing window panes and inoperable windows.
- Inadequate doors, missing screens and door closing devices.
- Infestation of rats, cockroaches and mice., need to seal off rodent holes.
- High weeds and tree growth (vegetation) on roof.
- Faucet, pipes and radiator leaks, loose plumbing fixtures.
- Clogged pipe drains.
- Missing smoke detectors.
- Roof leaks and seepage.
- Loose or broken concrete canopies at door entries

**Brooks Extension**

- Obstructed passageways
- Abandoned refrigerators
- Missing self-closers on doors.
- Broken interior surfaces on walls and ceilings
- Loose or broken flooring.
- Loose windows, missing glazing and hardware.
- Broken exterior service walks.
- Leaking roofs.
- Infestation of mice and cockroaches.
- Defective smoke alarms.
- Inadequate hot and cold water pressure and supply.
- Missing refuse chute doors.
- Leaking and broken plumbing fixtures and piping.
- Missing or torn window screens.
- Exit signs not illuminated.

### **Barbara Jean Wright Courts**

City code violation records for this private development did not consist of the level of detail as those of the ABLA developments. City records did indicate violations within 8 of the 27 residential buildings. Comparing the type of defects of the ABLA properties with those of the Jean Wright Courts visible during the exterior surveys, however, would include similar code related defects as follows:

- Loose, mildewed and deteriorated vertical wood siding.
- Loose, warped and paint-blistered fascia boards.
- Cracked window panes, windows without screens.
- Curled and brittle roofing shingles, roofing which has reached it's material life.
- Loose and deteriorated wood siding on roof dormers over stair wells.
- Blistered gutters and downspouts, missing bottom sections of downspouts and splash blocks
- Masonry damage at service doors.
- Masonry cracks from settlement due to erosion at foundations caused by improper downspouts.
- Settled concrete steps and sidewalk sections.

The factor of structures below minimum code standards is present to a major extent in 38 of the 41 blocks containing buildings. Figure 7 illustrates the location of buildings below minimum code standards.

### **G. EXCESSIVE VACANCIES**

Excessive vacancies refers to the presence of buildings or sites which are either totally unoccupied or not fully utilized. These buildings and sites exert an adverse influence on the surrounding area because of the frequency or duration of vacancies. Excessive vacancies include properties for which there is little expectation of future occupancy or utilization.

Excessive building vacancies are found throughout major portions of the Project Area. Vacancies include buildings which are entirely vacant and buildings with vacant floor areas. Vacancies are prevalent in most of the buildings fronting Ashland Avenue and Roosevelt Road. According to CHA, the vacancy rate of the ABLA Homes, as a whole, is approaching 50%. Totally vacant buildings are dominant in the Addams and Brooks Homes areas.

Information regarding vacancies in individual buildings was obtained from exterior building surveys conducted by TPAP, Ray/Dawson, P.C. and CHA staff. Vacancies were determined on a combination of shuttered or gutted buildings, boarded windows in units, obvious vacant units, or areas with signs advertising space available. Documents received from CHA also discussed the vacancies within each housing development area. It should be noted that along the Roosevelt Road and Ashland Avenue commercial corridors businesses which appear to be within buildings may not exist either due to old signage, for rent or lease signs, or padlocked doors, including security gates. There may also be businesses which are seasonal or temporary, or businesses which operate for a limited time during the day. Vacancies were judged by visible conditions of the building store fronts and obvious signs of activity at the time the survey was being conducted.

Of the total 257 buildings, 79, or 31% are totally vacant and 60 buildings are partially vacant. Vacant ABLA buildings include 68 which are totally vacant and 50 which are partially vacant. Vacancies within the Barbara Jean Wright Court apartments are limited to 2 percent. In combination, 139 buildings, or 54.1 percent of the buildings in the major portion of the area are totally or partially vacant.

Excessive vacancies as a factor is present to a major extent in 19 blocks and to a limited extent in 11 of the 41 blocks containing buildings.

Figure 9, *Excessive Vacancies*, illustrates buildings in the Project Area which are 20 percent or more vacant.

#### **H. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

Overcrowding of structures and community facilities refers to the utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use without adequate regard for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

No conditions of overcrowding of structures and community facilities have been documented as part of any exterior or interior surveys undertaken within the Project Area.

#### **L. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees, or visitors. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and rooms that produce dust, odor or smoke;
- Adequate natural light and ventilation by means of skylights or windows, proper window sizes, and adequate room area to window area ratios; and
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Review of documents received from CHA regarding code violations indicates that items such as improper refuse disposals, inoperable incinerators, inoperable windows and screens, inadequate plumbing and related defects are widespread throughout the housing areas. Stagnant water in basements and crawlspaces and infestations of rodents and insects are also prevalent. Steam pipes that deliver heat to many dwelling units throughout the development are inadequate. Leaking valves and broken sections of pipe are common.



While these conditions exist, the factor of lack of ventilation, light, or sanitary facilities is not sufficiently documented as part of the exterior surveys conducted for the Project Area.

#### **J. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of utilities which serve a property or area. Utilities include, but are not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers and natural gas.

No determination as to the adequacy, or inadequacy of the existing utilities serving the Project Area has been documented as part of the surveys and analyses undertaken within the Project Area.

#### **K. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of land and the crowding of buildings and accessory facilities on a site. Problem conditions include buildings either improperly situated on a parcel, or located on parcels of inadequate size or irregular shape in relation to present-day standards for health and safety. The result is insufficient light and air, increased threat of fires due to the close proximity of buildings, lack of adequate access to a public right-of-way, lack of required off-street parking, and inadequate provisions for loading and service. Excessive land coverage can have an adverse, or blighting, effect on nearby development.

The overall dwelling unit density throughout the five ABLA developments is 37.2 units per acre. This would be considered excessive according to modern residential development standards for this type of housing. Throughout most of the Abbott, Addams and Brooks Homes, buildings are placed in close proximity to each other with no provisions for interior green areas or storage. There are very limited off-street parking areas. Along the Ashland Avenue and Roosevelt Road corridors there are properties where buildings cover most of the sites, allowing no provisions for off-street parking, loading or service.

The factor of excessive land coverage is present to a major extent in 6 blocks and to a limited extent in 8 of the 47 total blocks.

Figure 10, *Excessive Land Coverage*, illustrates these properties within the Project Area.

#### **L. DELETERIOUS LAND-USE OR LAYOUT**

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

Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels including the building's relationship to other nearby buildings.

**Incompatible Uses**

Along Ashland Avenue within the Project Area, all five blocks contain residential buildings adjacent to incompatible commercial properties.

**Improper Layout and Platting**

Five blocks within the Addams Homes development are very large blocks (super-blocks) with limited provisions for parking, open space, play areas or proper vehicular access. The Abbott area contains two super-blocks with similar problems. The Brooks Homes blocks are linear with excessive lengths and a high density of low rise buildings. Four tax blocks were combined into a super-block for the Barbara Jean Wright Courts accessible by one interior cul-de-sac off 14th Street. Several other large super-blocks along Blue Island Avenue also lack the proper access, parking and open space provisions for the residents. The entire area was developed by eliminating the typical grid pattern of medium sized blocks resulting in the creation of isolated large housing development areas with no relationship to the pattern of adjacent development. Three partial blocks containing industrial activity have limited depth and abut the rail line at the south end of the area. Due to the limited block size and depth, loading and service can only be accomplished by blocking 15th Street. Many problems, such as poor access, vandalism, crime, isolation, maintenance and security are exacerbated by the deleterious layout of the area.

The factor of deleterious land-use or layout is present to a major extent 22 blocks and to a limited extent in 12 of the 47 total blocks.

Figure 11, *Deleterious Land Use or Layout*, illustrates these conditions in the Project Area.

**M. DEPRECIATION OF PHYSICAL MAINTENANCE**

Depreciation of physical maintenance refers to deferred maintenance of buildings, parking areas and public improvements such as alleys, sidewalks and streets.

The presence of this factor within the Project Area includes:

- **Buildings and Premises.** Of the 257 buildings, 238 suffer from deferred maintenance of windows, doors, store fronts, exterior walls, cornices, fire escapes, porches and steps, loading docks, fascias, gutters, downspouts and chimneys. Yards and premises throughout much of the area contain high weeds, deteriorated fencing, exposed outdoor storage and debris.
- **Streets, Alleys, Sidewalks.** Deterioration of these improvements is widespread throughout the Project Area. Poor pavement conditions are evidenced by pot holes and deteriorated pavement along 15th Street. Alleys in the blocks along Ashland Avenue and Roosevelt Road are deteriorated with

irregular surfaces and pot holes. They also exhibit excessive amounts of debris, litter and weed growth. Interior walks within the Abbott, Brooks and Wright Developments are deteriorated with missing, settled and cracked sections.

- **Parking Surface and Site Surface Areas.** Parking areas within the commercial, industrial and residential areas contain pot holes, weed growth and depressions. Several lots contain either gravel or deteriorated asphalt and lack striping or bumper stops. Parking surfaces within the Barbara Jean Wright courts contain settled sections, oil slicks from servicing of private vehicles, weed growth and debris.

The factor of depreciation of physical maintenance is present to a major extent in 42 blocks and to a limited extent in 4 of the 47 total blocks.

Figure 12, *Depreciation of Physical Maintenance*, illustrates the presence of this factor in the Project Area.

#### **N. LACK OF COMMUNITY PLANNING**

The original Project Area was platted prior to the turn of the century. Original buildings were constructed on a parcel by parcel basis with narrow lots. The earliest public housing units were occupied in 1938. During the 1950's and early 1960's large scale public housing developments were constructed in response to an affordable housing shortage at the time. This development occurred, however, by means of forming large super blocks and the elimination of the typical block and street pattern grid system. This reconfiguration of the area resulted in the isolation of these housing developments from the adjacent blocks and activity with limited interior access due to the elimination of both east-west and north-south interior streets and prior to the existence of an overall community plan. Industrial, commercial and residential blocks were originally platted and developed on a parcel-by-parcel and building-by-building basis, with little evidence of coordination and planning among buildings and activities. Presently, the area contains both large and small blocks, incompatible relationships with residential activity in several commercial block fronts. The lack of community planning prior to development has contributed to some of the problem conditions which characterize the overall Project Area.

The factor of lack of community planning is present to a major extent throughout the entire Project Area, or all 47 blocks.

#### IV. DETERMINATION OF PROJECT AREA ELIGIBILITY

##### Improved Area

The Project Area meets the requirements of the Act for designation as an improved "blighted area." There is a reasonable presence and distribution of 10 of the 14 factors listed in the Act for improved blighted areas. These blighting factors include the following

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures below minimum code standards
6. Excessive vacancies
7. Excessive land coverage
8. Deleterious land-use or layout
9. Depreciation of physical maintenance
10. Lack of community planning

The entire area as a whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without public action.

[Figure 1 referred to in this Roosevelt/Racine Eligibility Study constitutes Figure 1 to the Roosevelt/Racine Redevelopment Plan and is printed on page 37880 of this *Journal*.]

[Figures 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 and Tables 2 and 3 referred to in this Roosevelt/Racine Eligibility Study printed on pages 37905 through 37923 of this *Journal*.]

Figure 2.  
(To Roosevelt/Racine Eligibility Study)  
Existing Land-Use.

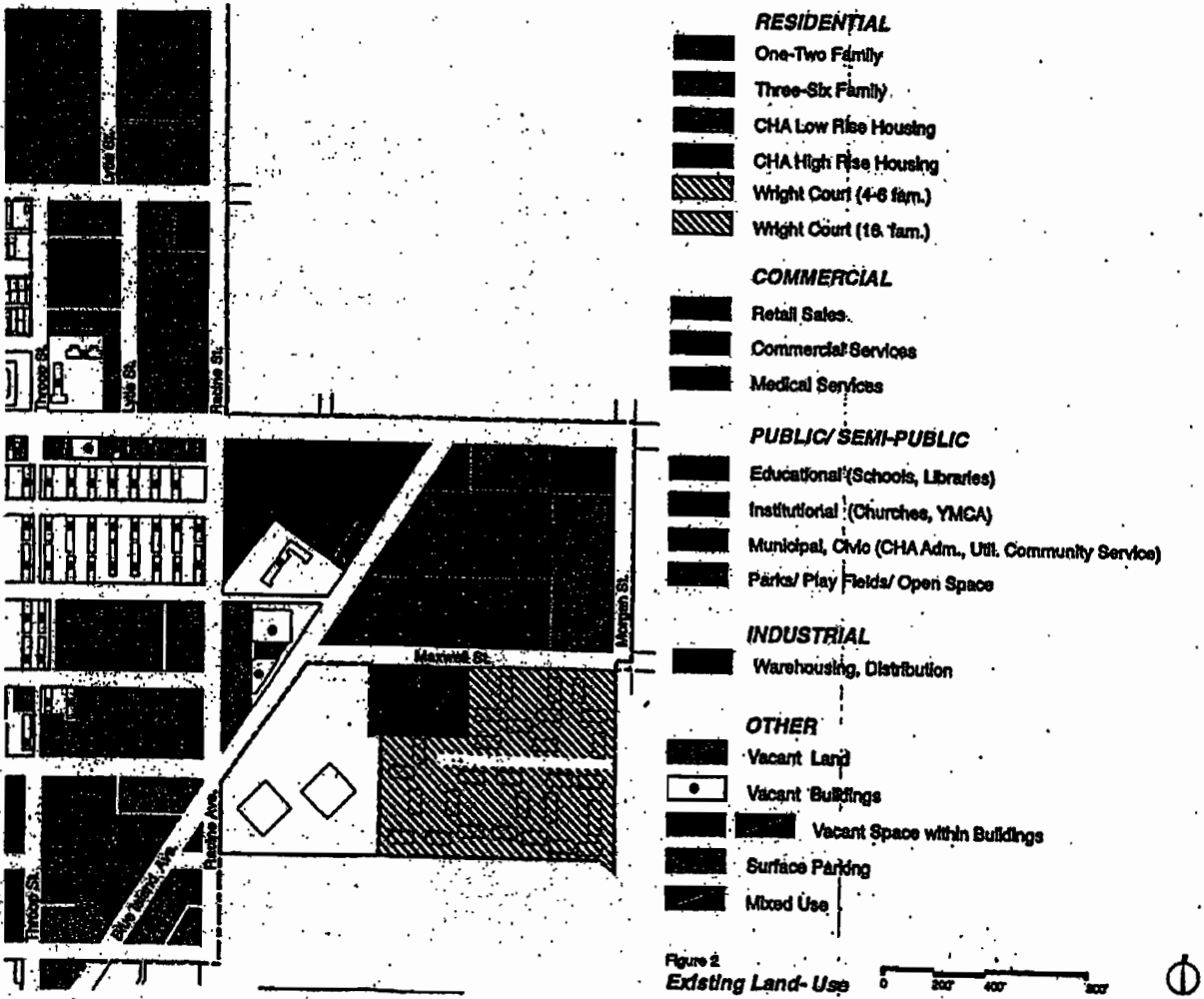


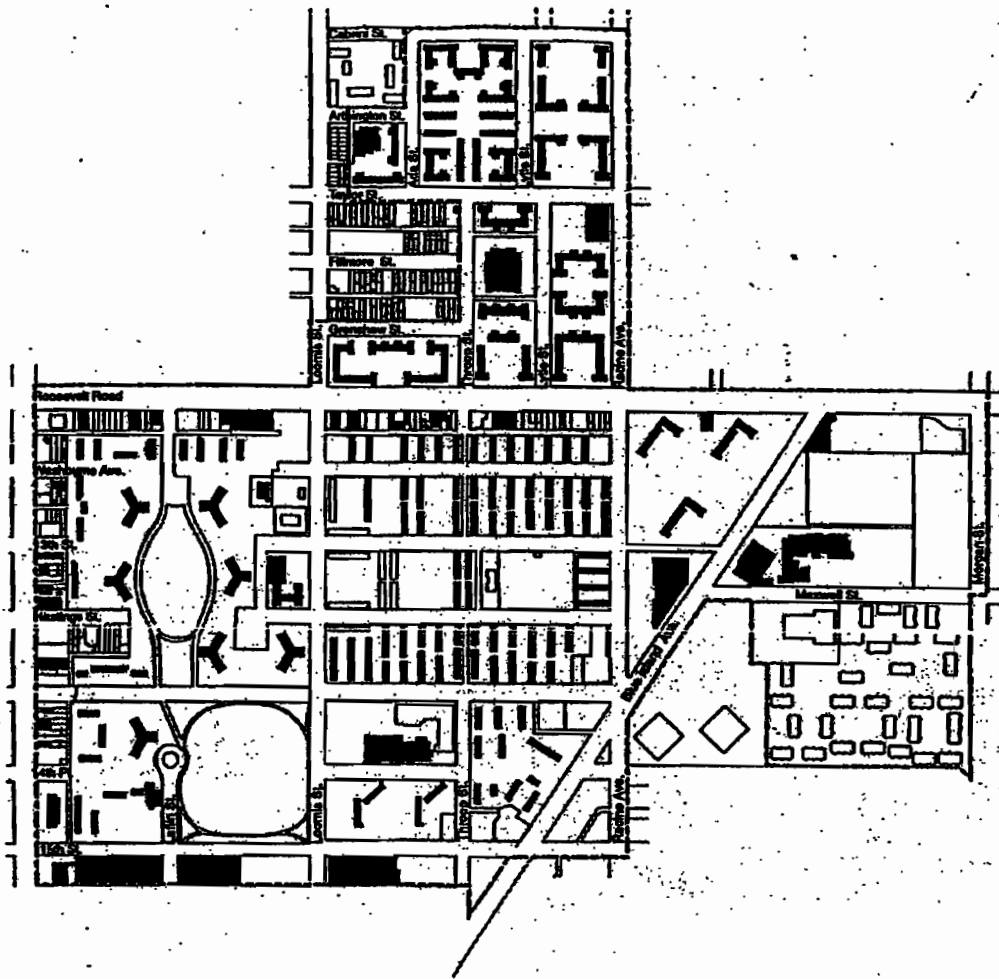
Figure 3. (To Roosevelt/Racine Eligibility Study) Exterior Building Survey Form.

PROJECT:													
JOB NUMBER:													
ACTIVITY													
LAND USE NO. 1													
NUMBER OF UNITS													
NUMBER OCCUPIED													
HEIGHT													
CONSTRUCTION													
DECADE													
FOUNDATION													
WALLS													
ROOF													
SECONDARY													
BUILDING RATING													
BLIGHTING INFLUENCE													
ACTIVITY CODE NO. 1													
ACTIVITY CODE NO. 2													
COMMENTS													

- A. EXTERIOR MATERIALS**
- 1 RESIDENTIAL
  - 2 COMMERCIAL
  - 3 INDUSTRIAL
  - 4 OTHER
- B. FINISH**
- 1 FULL COVERED
  - 2 PARTIAL COVERED
  - 3 UNCOVERED
  - 4 OTHER
- C. CONSTRUCTION**
- 1 MASONRY
  - 2 CONCRETE
  - 3 WOOD
  - 4 METAL
- D. DILapidation**
- 1 1940-1949
  - 2 1950-1959
  - 3 1960-1969
  - 4 1970-1979
  - 5 1980-1989
  - 6 1990-1999
  - 7 2000-2009
  - 8 2010-2019
  - 9 2020-2029
  - 10 2030-2039
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*Figure 4.*  
(To Roosevelt/Racine Eligibility Study)

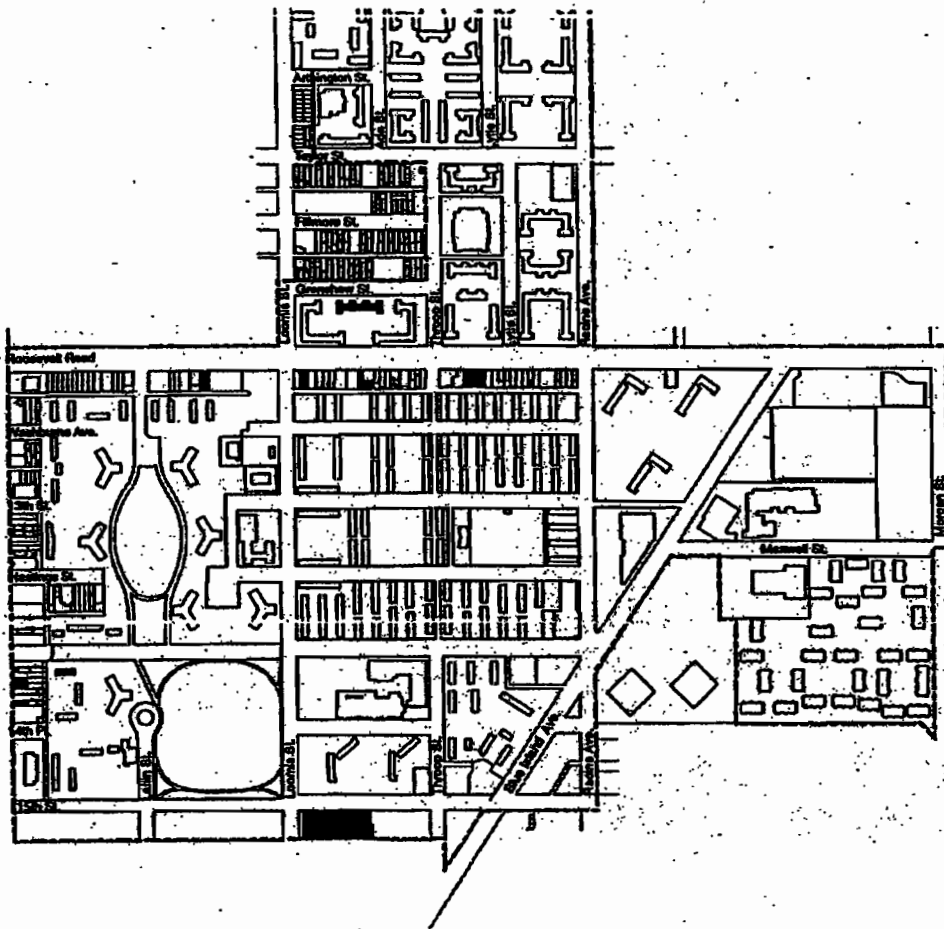
*Age.*



Buildings 35 Years or Older

*Figure 5.*  
(To Roosevelt/Racine Eligibility Study)

*Dilapidation.*



■ Dilapidated (Sub-Standard) Buildings



Figure 6.  
(To Roosevelt/Racine Eligibility Study)

Obsolescence.

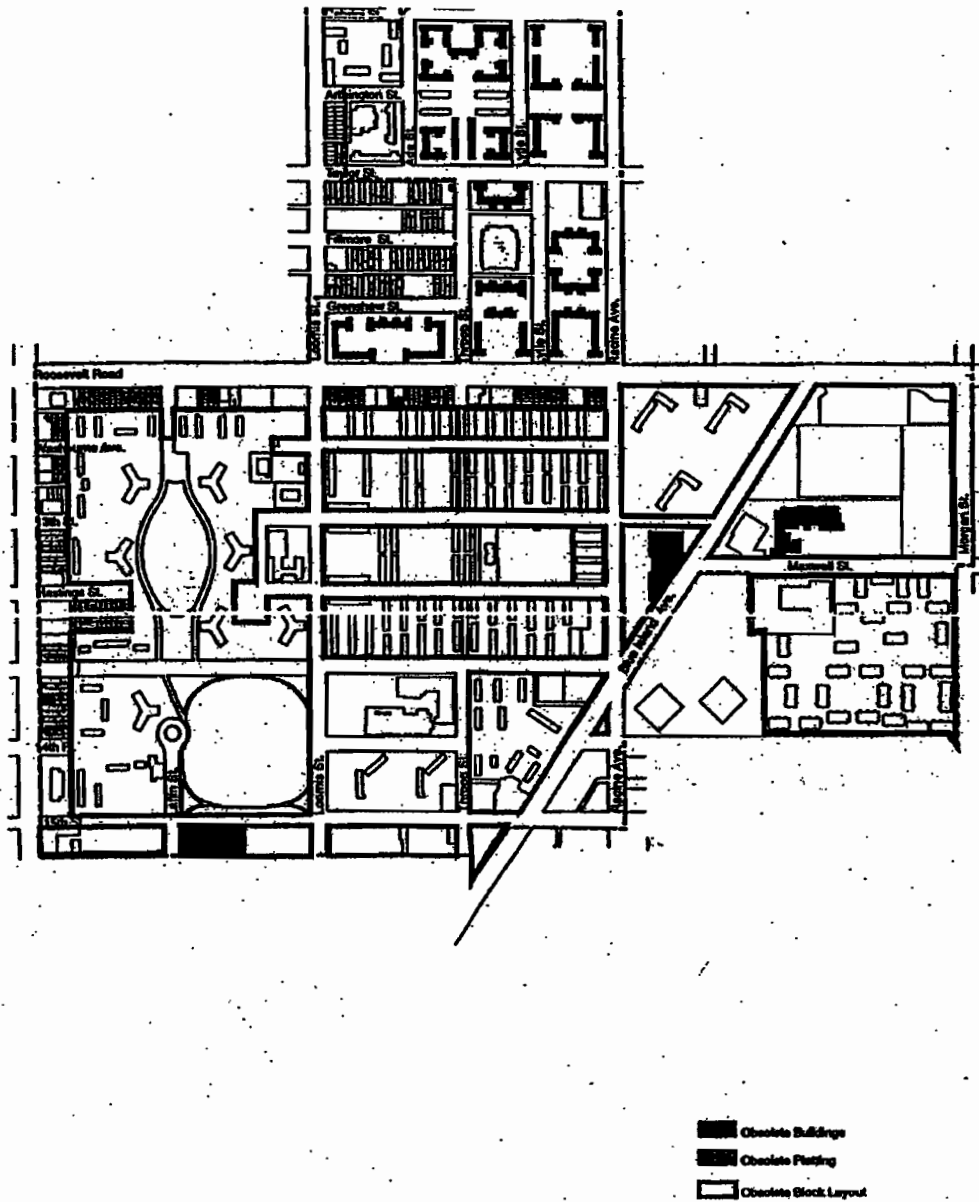
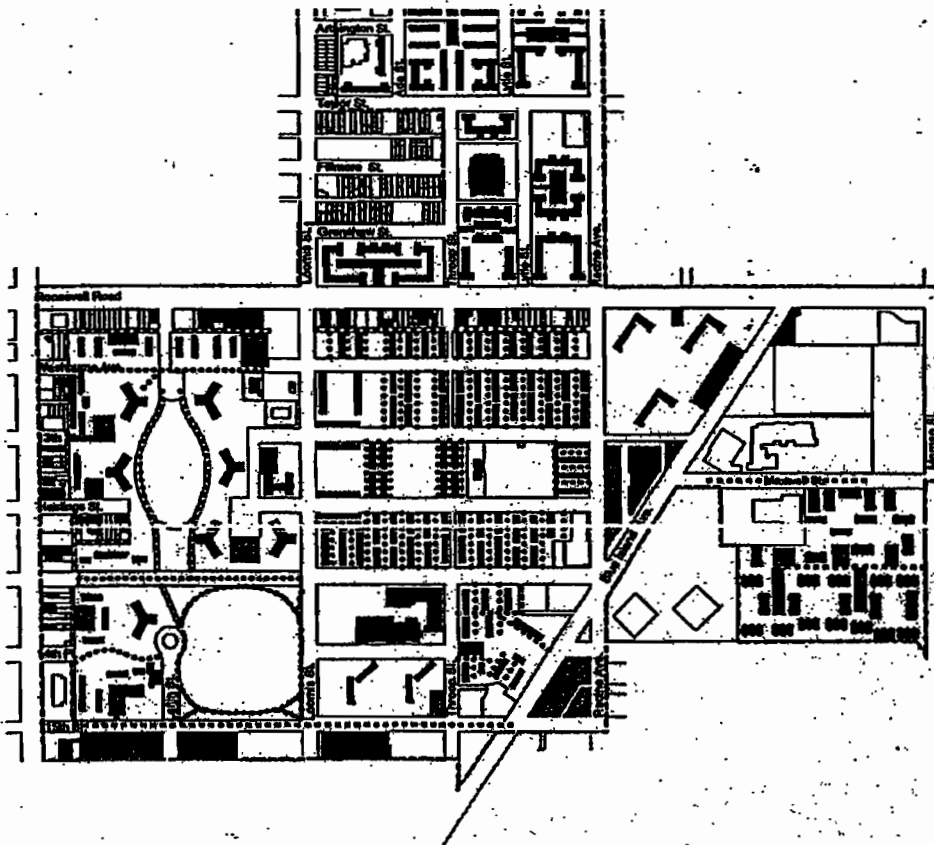


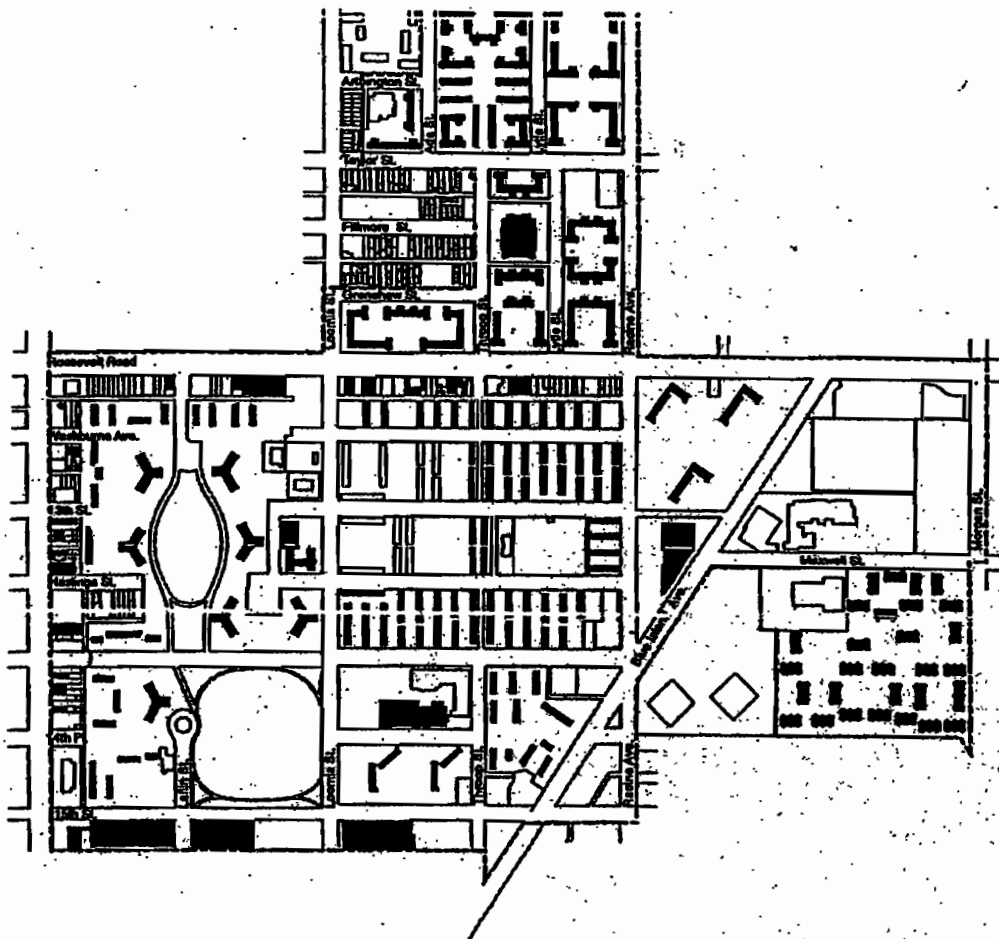
Figure 7.  
(To Roosevelt/Racine Eligibility Study)

*Deterioration.*



- Deteriorated Buildings
- ▨ Deteriorated Parking Surfaces
- - - Deteriorated Streets & Alleys
- ..... Deteriorated Interior Walls

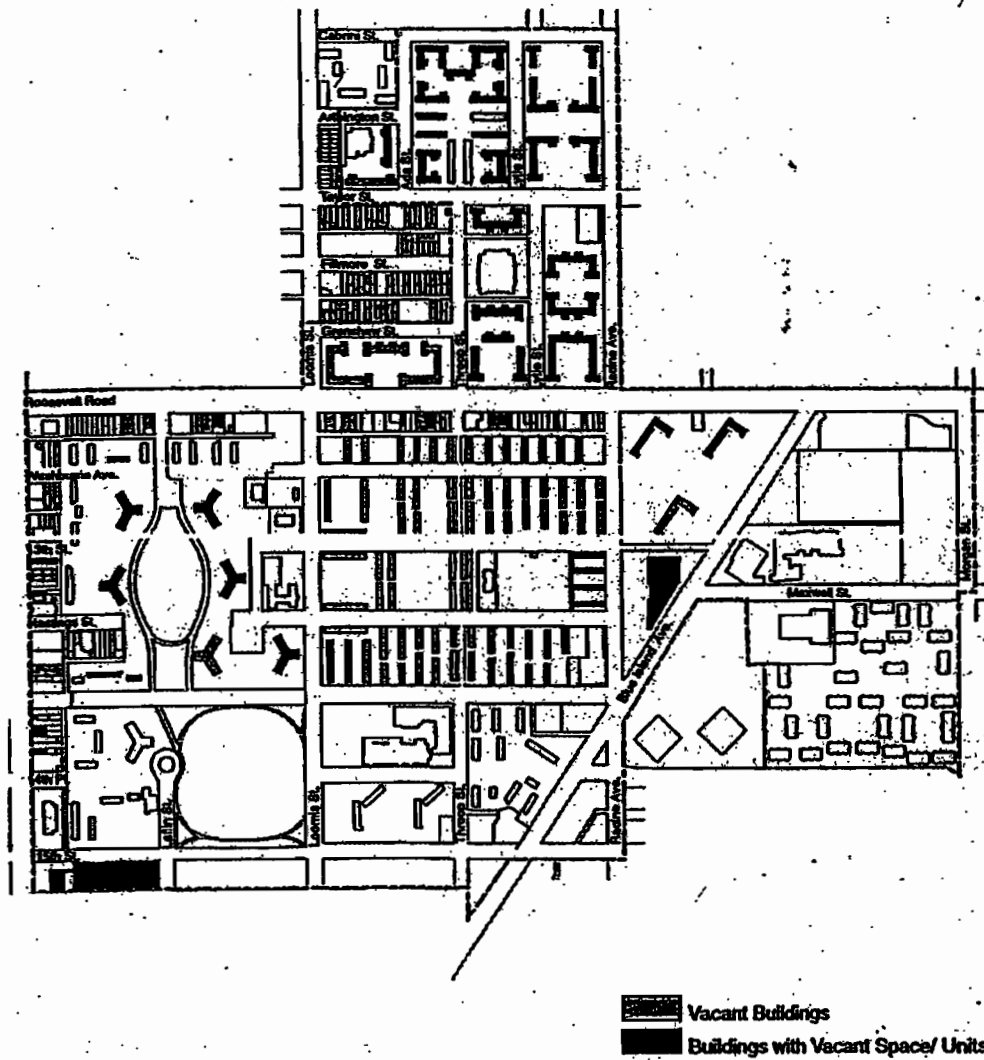
*Figure 8.*  
**(To Roosevelt/Racine Eligibility Study)**  
*Structures Below Minimum Code.*



Structures Below Minimum Code Standards

*Figure 9.*  
(To Roosevelt/Racine Eligibility Study)

*Excessive Vacancies.*



*Figure 10.*  
*(To Roosevelt/Racine Eligibility Study)*  
*Excessive Land Coverage.*

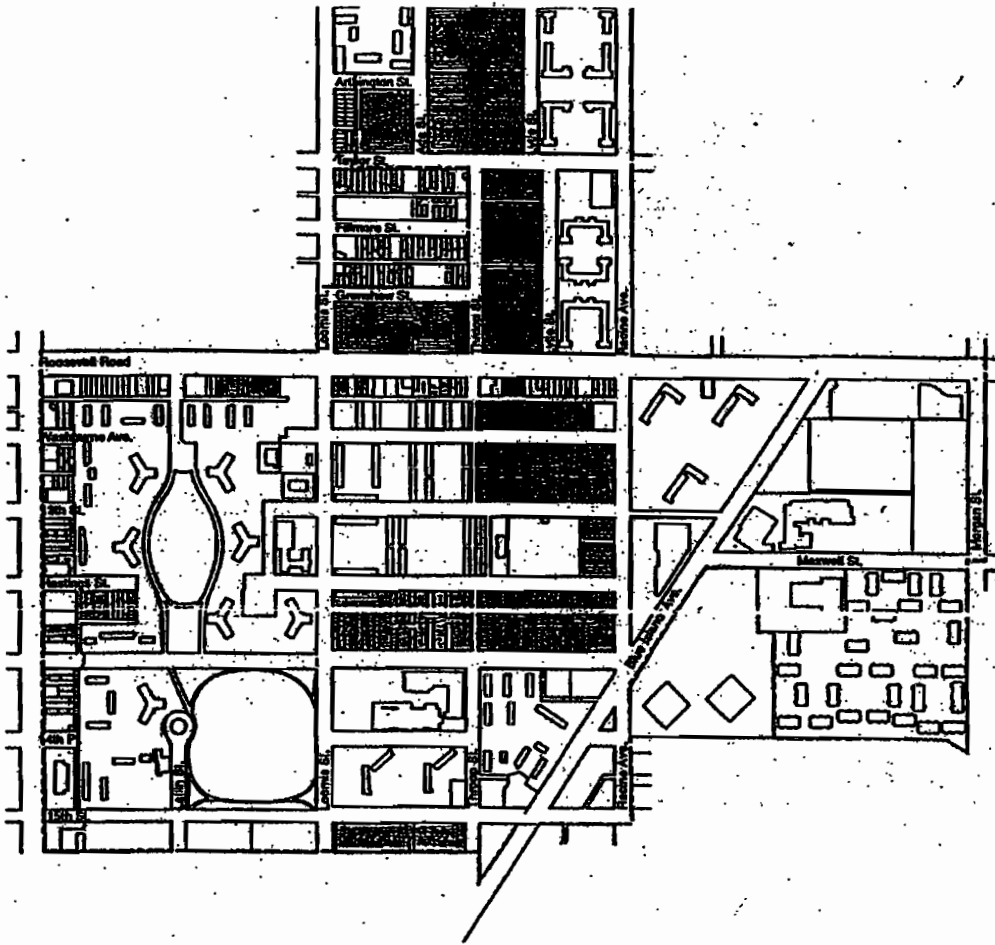
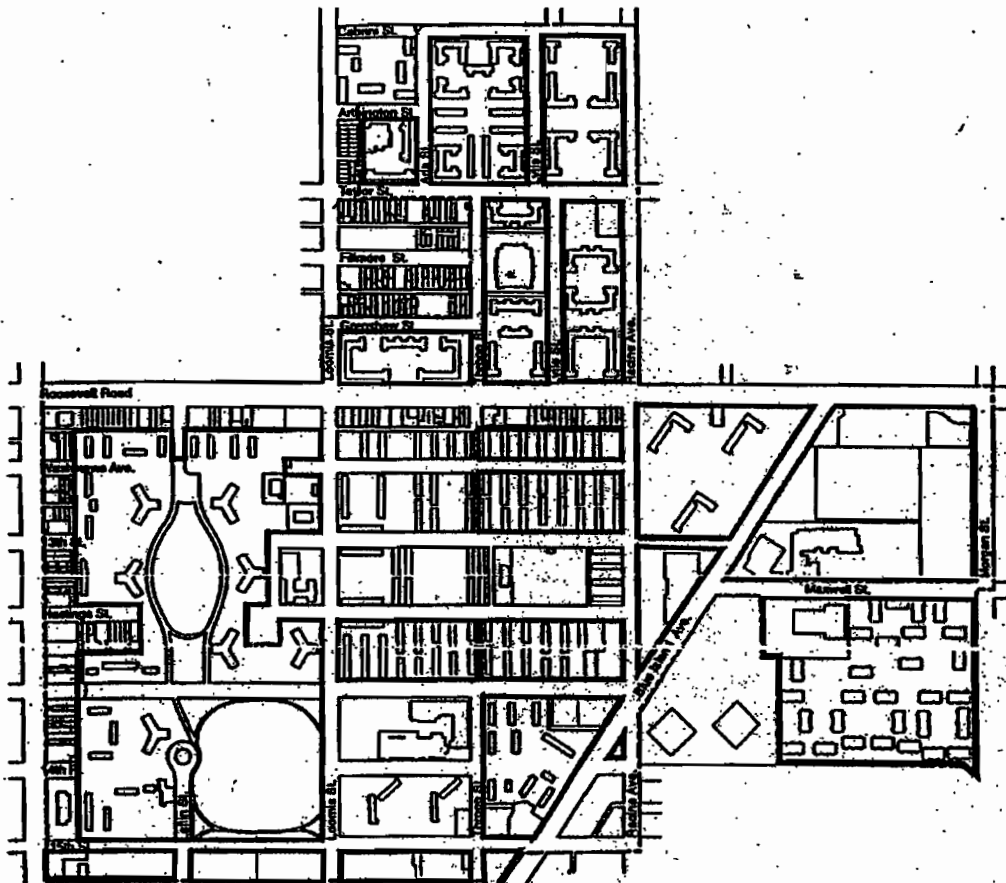


Figure 11.  
(To Roosevelt/Racine Eligibility Study)

*Incompatible Land-Use/Layout.*



■ Incompatible Uses  
□ Blocks with Improper Size/Layout

*Figure 12.*  
(To Roosevelt/Racine Eligibility Study)  
*Depreciation Physical Maintenance.*

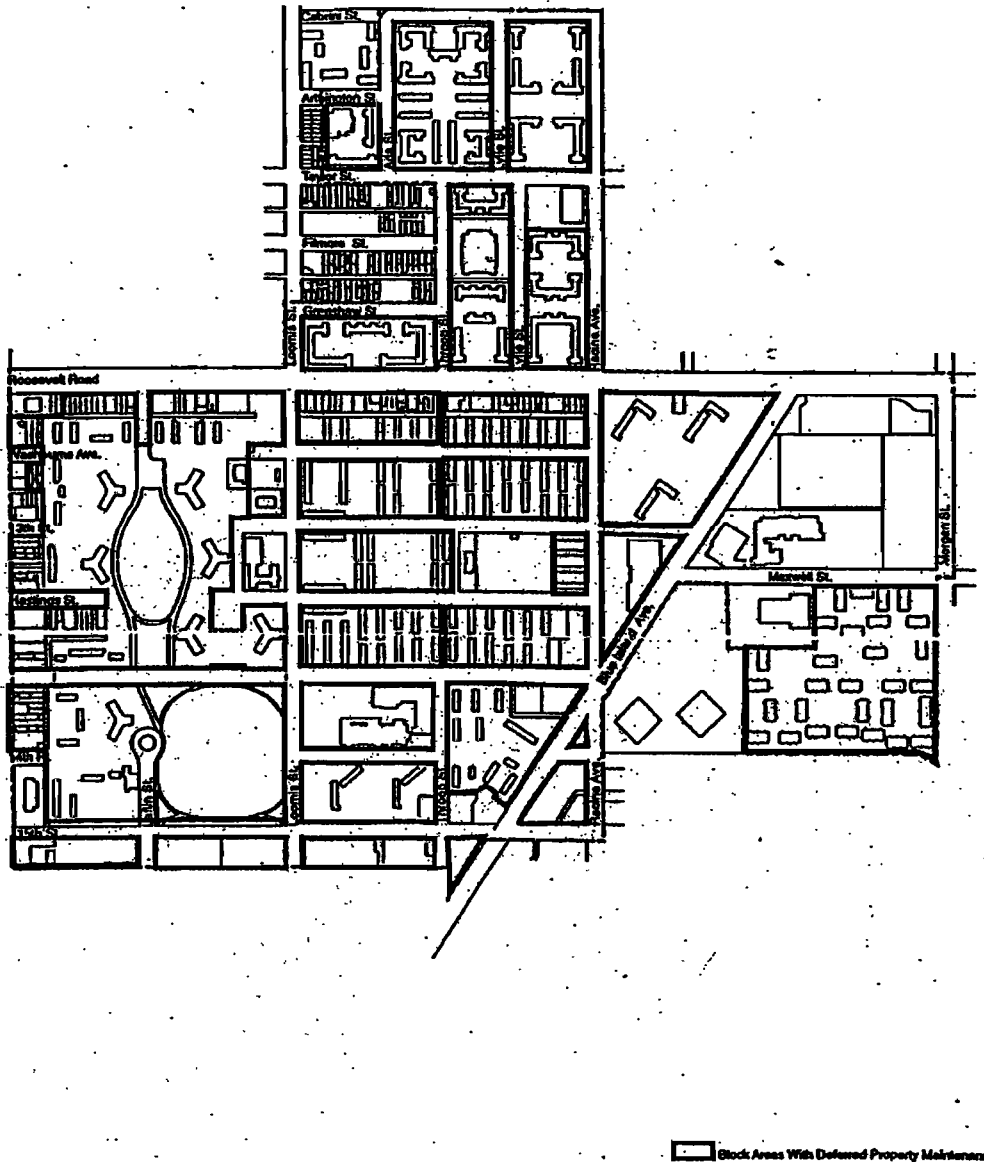
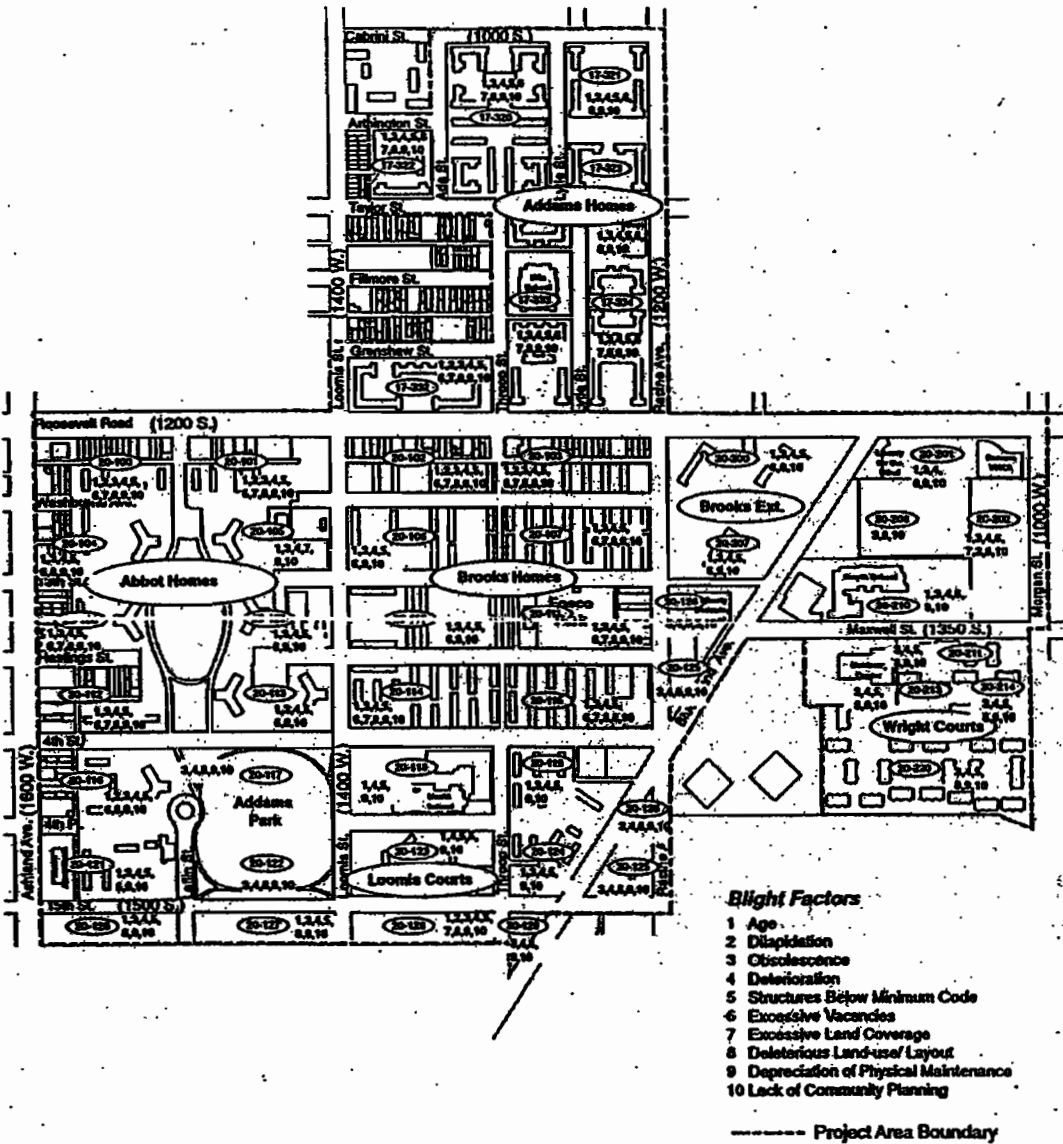


Figure 13.  
(To Roosevelt/Racine Eligibility Study)

Summary Of Blight Factors.





*Table 2.*  
(To Eligibility Study)

*Summary Of Building Deterioration.*  
(Page 1 of 2)

Survey Block* No.	No. Of Buildings	Building Condition		
		Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
100	12	3	7	2
101	9	--	8	1
102	15	1	12	2
103	14	2	11	1
104	9	2	7	--
105	4	2	2	--
106	9	--	9	--
107	16	--	16	--
108	8	--	8	--
109	2	--	2	--
110	10	--	10	--
111	6	1	5	--
112	10	--	10	--
113	2	--	2	--
114	14	--	14	--
115	12	1	11	--
116	7	--	4	3
118	2	--	2	--
119	6	--	--	--
121	6	1	5	--
123	2	--	2	--
124	5	--	5	--
126	1	--	1	--
127	1	--	1	--
128	2	1	--	1

*Table 2.*  
(To Eligibility Study)

*Summary Of Building Deterioration.*  
(Page 2 of 2)

Survey Block* No.	Building Condition			
	No. Of Buildings	Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
200	4	--	4	--
201	2	1	1	--
207	1	--	1	--
209	1	--	1	--
210	2	2	--	--
211	4	1	3	--
213	6	--	6	--
214	3	--	3	--
220	15	--	15	--
320	13	--	13	--
321	4	--	4	--
322	3	--	3	--
323	2	--	2	--

\* Blocks with buildings

Survey Block No.	Building Condition			
	No. Of Buildings	Sound	Deteriorated/ Deteriorating	Substandard/ Dilapidated
332	3	--	2	1
333	6	--	6	--
334	4	1	3	--

Project Area Total	257	19	227	11
Percent	100.0	7.4	88.3	4.3

*Table 3.*  
(To Eligibility Study)

*Distribution Of Blighting Factors.*  
(Page 1 of 5)

<u>Blight Factors</u>	<u>BLOCK NUMBERS</u>									
	100	101	102	103	104	105	106	107	108	109
1 Age	■	■	■	■	■	■	■	■	■	■
2 Dilapidation	□	□	□	□						
3 Obsolescence	■	□	■	■	■	□	□	■	■	□
4 Deterioration	■	■	■	■	■	□	■	■	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■	■	■	■	■		■	■	■	■
7 Excessive vacancies	□	□	■	■	□	□	■	■	□	□
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage	□	□	□	■				■		
12 Deleterious land-use or layout	■	■	■	■	■			■	■	
13 Depreciation of physical maintenance	■	■	■	■	■	□	□	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

**Table 3.**  
**(To Eligibility Study)**

*Distribution Of Blighting Factors.*  
*(Page 2 of 5)*

<b>Blight Factors</b>	<b>BLOCK NUMBERS</b>									
	110	111	112	113	114	115	116	117	118	119
1 Age	■	■	■	■	■	■	■		■	■
2 Dilapidation							□			
3 Obsolescence	□	□	■	□	■	■	■	□		■
4 Deterioration	■	■	■	■	■	■	■	□	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■	■	■	■	■	■	■		■	■
7 Excessive vacancies	■	■	□	■	■	■	■			
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage		■	□		■	■				
12 Deleterious land-use or layout		■	■		■	■	■	■		
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined  
 □ Present to a limited extent  
 ■ Present to a major extent

*Table 3.*  
(To Eligibility Study)

*Distribution Of Blighting Factors.*  
(Page 3 of 5)

<b>Blight Factors</b>	<b>BLOCK NUMBERS</b>									
	120	121	122	123	124	125	126	127	128	129
1 Age		■		■	■		■	■	■	
2 Dilapidation									■	
3 Obsolescence	□	□	□		■	□	■	■	■	□
4 Deterioration	■	■	□	■	■	■	■	■	■	□
5 Illegal use of individual structures										
6 Structures below minimum code		■		■	■		■	■	■	
7 Excessive vacancies		□		□			□			
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage									■	
12 Deleterious land-use or layout	■		■			□	■	■	■	■
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

*Table 3.*  
(To Eligibility Study)

*Distribution Of Blighting Factors.*  
(Page 4 of 5)

Blight Factors	BLOCK NUMBERS									
	200	201	207	208	209	210	211	213	214	220
1 Age	■	■	■		■	■				
2 Dilapidation										
3 Obsolescence	■	■	■	■	■	□	□	□	□	□
4 Deterioration	■	□	■		■	□	■	■	■	■
5 Illegal use of individual structures										
6 Structures below minimum code	■		■		■		■	■	■	■
7 Excessive vacancies	■		■		■					
8 Overcrowding of structures and community facilities										
9 Lack of ventilation, light or sanitary facilities										
10 Inadequate utilities										
11 Excessive land coverage										
12 Deleterious land-use or layout		■		■		■	□	□	□	□
13 Depreciation of physical maintenance	■	□	■		■	□	■	■	■	■
14 Lack of community planning	■	■	■	■	■	■	■	■	■	■

Not present or not examined  
 □ Present to a limited extent  
 ■ Present to a major extent

*Table 3.*  
(To Eligibility Study)

*Distribution Of Blighting Factors.*  
(Page 5 of 5)

<u>Blight Factors</u>	<u>BLOCK NUMBERS</u>							<u>Total Extent major/limited</u>
	320	321	322	323	332	333	334	
1 Age	■	■	■	■	■	■	■	37/0
2 Dilapidation					□			1/6
3 Obsolescence	■	■	■	■	■	■	■	27/18
4 Deterioration	■	■	■	■	■	■	■	40/6
5 Illegal use of individual structures								0/0
6 Structures below minimum code	■	■	■	■	■	■	■	38/0
7 Excessive vacancies	■	■	■	□	■	■	■	19/11
8 Overcrowding of structures and community facilities								0/0
9 Lack of ventilation, light or sanitary facilities								0/0
10 Inadequate utilities								0/0
11 Excessive land coverage			□		□	□	□	6/8
12 Deleterious land-use or layout	□	□	□	□	□	□	□	22/12
13 Depreciation of physical maintenance	■	■	■	■	■	■	■	42/4
14 Lack of community planning	■	■	■	■	■	■	■	47/0

Not present or not examined

□ Present to a limited extent

■ Present to a major extent

*(Sub)Exhibit IV.*  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

*Project Area Legal Description.*

Beginning at the point of intersection of the east line of South Racine Avenue with the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the east line of South Morgan Street; thence south along said east line of South Morgan Street to the centerline of West Maxwell Street; thence west along said centerline of West Maxwell Street to the west line of South Morgan Street; thence south along the west line of South Morgan Street to the northeasterly line of West 14<sup>th</sup> Place; thence northwest along said northeasterly line of West 14<sup>th</sup> Place to the southeast corner of Lot 53 in Block 1 in Swift, McAuley & Tyrrell's Subdivision of the north half of the southwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, the south line of said Lot 53 being also the north line of West 14<sup>th</sup> Place; thence west along said north line of West 14<sup>th</sup> Place, a distance of 571.43 feet; thence north along a line parallel with the west line of said Block 1 in Swift, McAuley & Tyrrell's Subdivision to the centerline of vacated West 14<sup>th</sup> Street; thence west along said centerline of vacated West 14<sup>th</sup> Street, a distance of 3.00 feet, to the southerly extension of the west line of Lot 70 in Block 5 in Henry Waller's Subdivision of the northwest quarter of the northeast quarter of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of said Lot 70 and the northerly extension thereof and along the west line of Lot 21 in said Block 5 in Henry Waller's Subdivision, a distance of 169.95 feet; thence west along a line parallel with the north line of said Block 5 in Henry Waller's Subdivision, to a point on the west line of Lot 25 in said Block 5 in Henry Waller's Subdivision; thence north along said west line of Lot 25 in said Block 5 in Henry Waller's Subdivision and along the northerly extension thereof and along the west line of Lot 25 in Block 4 in said Henry Waller's Subdivision to the south line of West Maxwell Street; thence west along said south line of West Maxwell Street to the southeasterly line of South Blue Island Avenue; thence southwest along said southeasterly line of South Blue Island Avenue to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the easterly



extension of the north line of Lots 1 through 10, inclusive, in Block 16, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson's and Greene's Addition to Chicago, said north line of Lots 1 through 10, inclusive, being also the south line of West 15<sup>th</sup> Street; thence west along said south line of West 15<sup>th</sup> Street to the northwesterly line of South Blue Island Avenue; thence southwest along said northwesterly line of South Blue Island Avenue to the east line of South Throop Street; thence north along said east line of South Throop Street to the easterly extension of the north line of Lots 26 through 50, inclusive, in William Sampson's Subdivision of Blocks 7, 9, 10, 15 and 16 in Sampson's and Greene's Addition to Chicago, said north line being also the south line of the alley south of West 15<sup>th</sup> Street; thence west along said easterly extension and the south line of the alley south of West 15<sup>th</sup> Street to the east line of South Ashland Avenue; thence north along said east line of South Ashland Avenue to the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the west line of South Loomis Street; thence north along said west line of South Loomis Street to the north line of West Grenshaw Street; thence east along said north line of West Grenshaw Street to the west line of South Throop Street; thence north along said west line of South Throop Street to the south line of West Taylor Street; thence west along said south line of West Taylor Street to the southerly extension of the east line of Lot 56 in Robert L. Martin's Subdivision of Blocks 11 and 16 in Verner's Park Addition to Chicago; thence north along said southerly extension and the east line of Lot 56 in Robert L. Martin's Subdivision and the northerly extension thereof and the east line of Lot 52 in said Robert L. Martin's Subdivision and the east line of Lots 1 through 6, inclusive, in Robert L. Martin's Resubdivision of Lots 47 through 51, inclusive, in Robert L. Martin's Subdivision and along the east line of Lot 46 in said Robert L. Martin's Subdivision and the northerly extension thereof to the north line of West Arthington Street; thence east along said north line of West Arthington Street to the west line of South Ada Street; thence north along said west line of South Ada Street to the north line of West Cabrini Street; thence east along said north line of West Cabrini Street to the east line of South Racine Avenue; thence south along said east line of South Racine Avenue to the point of beginning, being a point on the north line of West Roosevelt Road.

(Sub)Exhibit V.  
(To Roosevelt/Racine Redevelopment  
Project And Plan)

Parcels To Be Acquired.  
(Page 1 of 2)

PIN

17-20-100-006-0000  
17-20-100-007-0000  
17-20-100-008-0000  
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17-20-103-003-0000

(Sub)Exhibit V.  
 (To Roosevelt/Racine Redevelopment  
 Project And Plan)

Parcels To Be Acquired.  
 (Page 2 of 2)

<u>PIN</u>	<u>PIN</u>	<u>PIN</u>
17-20-103-004-0000	17-20-108-003-0000	17-20-127-006-0000
17-20-103-005-0000	17-20-108-004-0000	17-20-127-007-0000
17-20-103-006-0000	17-20-108-022-0000	17-20-127-008-0000
17-20-103-007-0000	17-20-112-001-0000	17-20-127-009-0000
17-20-103-008-0000	17-20-112-002-0000	17-20-127-010-0000
17-20-103-009-0000	17-20-112-003-0000	17-20-127-011-0000
17-20-103-010-0000	17-20-112-004-0000	17-20-127-012-0000
17-20-103-011-0000	17-20-112-005-0000	17-20-127-013-0000
17-20-103-012-0000	17-20-112-006-0000	17-20-127-014-0000
17-20-103-013-0000	17-20-116-002-0000	17-20-127-015-0000
17-20-103-014-0000	17-20-116-003-0000	
17-20-103-015-0000	17-20-116-004-0000	
17-20-103-048-0000	17-20-116-005-0000	
17-20-103-050-0000	17-20-116-006-0000	
17-20-104-001-0000	17-20-116-008-0000	
17-20-104-002-0000	17-20-116-010-0000	
17-20-104-003-0000	17-20-116-011-0000	
17-20-104-004-0000	17-20-116-048-0000	
17-20-104-022-0000	17-20-116-049-0000	
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17-20-104-024-0000	17-20-116-051-0000	
17-20-104-025-0000	17-20-127-001-0000	
17-20-104-026-0000	17-20-127-002-0000	
17-20-104-027-0000	17-20-127-003-0000	
17-20-108-001-0000	17-20-127-004-0000	
17-20-108-002-0000	17-20-127-005-0000	

*Exhibit "B"*  
(To Ordinance)

*Roosevelt/Racine Tax Increment Financing  
Redevelopment Project And Plan*

*City Of Chicago, Illinois*

*July 1998*

*Amendment Number 1  
December, 2004.*

The Roosevelt/Racine Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan"), dated July 1998 for the Roosevelt/Racine Redevelopment Project Area (the "Project Area"), and adopted by the City Council of the City of Chicago on November 4, 1998, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for such date at pages 80527 -- 80642 is hereby amended as follows:

1. Cover and Title Page are amended as follows:

At the bottom of the Cover and Title Page, the following text is added:

Amendment Number 1, December, 2004.

2. Section V, Subsections E.2., F, G and H are amended as follows:

Section V, Subsections E.2., F, G and H are deleted in their entirety and replaced with the following text:

**E. Redevelopment Improvements And Activities.**

2. Relocation.

In the event that the implementation of the Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less

than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph, "low-income households," "very low-income households", and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than fifty percent (50%) but less than eighty percent (80%) of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ( "H.U.D.") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than fifty percent (50%) of the median income of the area of residence, adjusted for family size, as so determined by H.U.D.; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent (30%) of the maximum allowable income for such households, as applicable.

#### F. Redevelopment Project Costs.

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. The costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective on November 1, 1999. A list of the estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs") is

attached as Exhibit I to this Redevelopment Plan. Such eligible costs may include, without limitation, the following:

**1. Eligible Redevelopment Project Costs.**

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

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 service costs for architectural, engineering, legal, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services (excluding lobbying expenses), related hard and soft costs, and other related expenses; provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. The costs of marketing sites within the Project Area to prospective businesses, developers and investors;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and clearing and grading of land, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements; and the costs of replacing an existing public building, if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;

6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the Project Area and proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job related skills including residents of public and other subsidized housing and people with disabilities;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding thirty-six (36) months following completion and including reasonable reserves related thereto;
8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance the objectives of the Redevelopment Plan;
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
10. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
11. Payment in lieu of taxes as defined in the Act;
12. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (1) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons

employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and taxing districts(s), which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of costs pursuant to Section 10-22.20a and 10-23.a of the School Code as cited in the Act;

13. Interest costs incurred by a developer 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 thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development 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 provision then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - d) the total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project cost excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
  - e) up to seventy-five percent (75%) of the interest cost incurred by a redeveloper for the financing of



rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;

14. Instead of the interest costs described in subparagraphs 13(b), 13(d) and 13(e) above, the City may pay from tax increment revenues, up to fifty (50%) of the costs of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low- and very low-income households shall be eligible for benefits under the Act;
15. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or portion of the cost of operation of day care centers established by the Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty (80%) of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development; and
16. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.0 1, et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Tax Act as well as the purposes permitted by the Act.

## 2. Estimated Redevelopment Project Costs.

The estimated eligible costs that are deemed to be necessary to implement this Redevelopment Plan are set forth in Exhibit I. The total

eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest and other financing costs. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

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

Developers who receive T.I.F. assistance for the construction of housing must comply with an ordinance, known as "City of Chicago Affordable Housing Ordinance" that was adopted by City Council on April 9, 2003, as such ordinance may be amended from time to time.

#### G. Sources Of Funds To Pay Costs.

Funds necessary to pay for The Redevelopment Project Costs and secure municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or

proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves and/or other forms of security made available by private sector developers. The City may incur Redevelopment Project Costs which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

The revenue that will be used to fund tax increment obligations and eligible Redevelopment Project Costs shall be the incremental real property tax revenues ("Incremental Property Taxes"). Incremental real property tax revenue is attributable to the increase of the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the certified initial equalized assessed value of each such property. Without the use of such incremental revenues, the Project Area is not likely to occur.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institutions funds and other legally permissible sources of funds and revenues as the City from time to time may deem appropriate.

Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

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

The Project Area may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.61-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City, therefore, proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Exhibit I of this Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

#### H. Issuance Of Obligations.

To finance project costs, the City may issue bonds or obligations secured by Incremental Property Taxes generated within the Project Area pursuant to Section 11-74.4-7 of the Act, or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits, or other forms of security made available by private sector developers to secure such obligations. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" below. 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 of a series of

obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of a parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund or optional redemptions.

In addition to paying the Redevelopment Project Costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, and the establishment of debt service reserves and bond sinking funds. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked or otherwise designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to taxing districts that have jurisdiction over the Project Area in the manner provided by the Act.

3. Section X is amended as follows:

Section X is deleted in its entirety and replaced with the following text:

X. Phasing And Scheduling.

Each private project within the Project Area shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible Redevelopment Project Costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan shall be completed, and all obligations issued to finance the Redevelopment Project Costs shall be retired, no later than December 31<sup>st</sup> of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (here, because City Council approval of the original Project Area and Redevelopment Plan occurred in 1998, by December 31, 2022).

4. Exhibit I is amended as follows:

Exhibit I is deleted in its entirety and replaced with the following text:

Exhibit I: Estimated Redevelopment Project Costs<sup>(1)</sup>.

Project/ Improvements	Estimated Project Costs
Professional Services	\$ 1,000,000
Property Assembly: including site preparation, demolition and environmental remediation	7,500,000
Rehabilitation Costs	1,000,000
Eligible Construction Costs (Affordable Housing)	11,000,000
Relocation Costs	2,000,000
Public Works or Improvements <sup>(1)</sup>	18,000,000
Job Training, Retraining, Welfare-to-Work Costs	4,500,000

(1) This category also may include paying for or reimbursing (i) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

Project/ Improvements	Estimated Project Costs
Interest Costs	\$ 1,000,000
Child Day Care Costs	1,000,000
Total Redevelopment Costs <sup>(2), (3), (4), (5)</sup>	\$47,000,000

- 
- (2) All costs are in 1998 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (C.P.I.) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI C.M.S.A., published by the United States Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.
- (3) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.
- (4) The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas (each an "R.P.A."), or separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous R.P.A.s or those separated from the Project Area only by a public right-of-way.
- (5) Increases in estimated Total Redevelopment Project Costs of more than five percent (5%), after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the redevelopment plan amendment procedures as provided under the Act.

AUTHORIZATION FOR ISSUANCE OF FREE PERMITS  
FOR CERTAIN CHARITABLE, EDUCATIONAL  
AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 8, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, to which had been referred December 1, 2004, sundry proposed ordinances transmitted therewith to authorize the issuance of free permits for certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinances, transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 48.

*Nays* -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.



**EXHIBIT G**

**PERMITTED LIENS**

Liens or encumbrances against the Property (and related improvements):

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

**EXHIBIT H**

**OPINION OF COUNSEL**

\_\_\_\_\_, 2005

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as special outside counsel to RS Homes I LLC, an Illinois limited liability company ("RS Homes"), RS Pointe LLC, an Illinois limited liability company ("RS Pointe"), and RS Square LLC, an Illinois limited liability company ("RS Square") (RS Homes, RS Pointe and RS Square are collectively defined herein, jointly and severally, as the "Developer") in connection with the construction of 233 of the 2,441 housing units, including replacement public housing, on sites located within the Roosevelt/Racine Redevelopment Project Area on a site in the Roosevelt/Racine Redevelopment Area that is generally bounded by Arthington Street on the north, Blue Island Avenue on the east, 13th Street on the south and Lytle Street on the west, in Chicago, Illinois (the "Project"). In that capacity, we have examined the Roosevelt Square/ABLA Project Redevelopment Agreement of even date herewith, executed by Developer and the City of Chicago (the "City"), including the exhibits as executed attached thereto (the "Documents").

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Organization, as amended to date, for each Developer (ii) Operating Agreement, as amended to date, for each Developer (iii) certificates of good standing dated May 24, 2005, issued by the Secretary of State of the State of Illinois for each Developer, which is the only state in which each Developer is qualified to do business and (iii) resolutions adopted by the members of each Developer approving the Documents; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed,

including the Certificates attached hereto (the "Certificates") and the Searches (the "Searches") referenced in such Certificates.

In all such examinations, we have assumed the genuineness of all signatures, other than those of Developer, the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies. With respect to the Documents, we assume that the City has the requisite authority to enter into this transaction; that the City has duly authorized this transaction; that the persons executing the Documents on behalf of the City have been duly authorized to do so; and that the Documents constitute the valid and binding obligations of the City.

Based on the foregoing, it is our opinion that:

1. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted.
2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Articles of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation as applicable to the Developer, or any order, writ, injunction or decree of any court, government or regulatory authority applicable specifically to the Developer and known to us, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.
3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.
4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms.
5. To our knowledge, Exhibit A attached hereto identifies the members and managers of Developer and the percentage interest held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the equity of Developer. Each outstanding interest of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Documents or the transactions contemplated by the Documents, or contesting the validity thereof. To our knowledge, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which Developer or its properties is bound, a default under which would have a material adverse effect on Developer or its business.

8. To the best of our knowledge after diligent inquiry, the execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

9. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

The opinions expressed herein are expressly made subject to and are qualified by the following:

(a) The opinions expressed above are limited to questions arising under federal law of the United States and the laws of the State of Illinois. We express no opinion with respect to the issue of applicability of the laws of any jurisdiction other than the State of Illinois and federal substantive laws, to the extent applicable.

(b) We have assumed the genuineness of all signatures of all parties to the Documents (other than Developer), the authenticity of all documents submitted to us as originals, and the conformity to authentic originals of all documents submitted to us as certified, conformed or photostatic copies.

(c) Whenever our opinion herein, with respect to the existence or absence of facts, is qualified by the phrase "to the best of our knowledge after diligent inquiry" or "to the best of our knowledge" or "known to us," our opinion is based solely and exclusively on our review of the Documents, the Certificates and Searches and the information which has come to the attention of the attorney who has executed this opinion and negotiated the Documents, which would give him actual knowledge of the existence or absence of such facts. We have no reason to believe that any other attorney in this firm has any knowledge relevant to this opinion. However, except as otherwise specifically set forth herein, we have not undertaken any independent investigation to

determine the existence or absence of such facts and no inference as to our knowledge of the existence or absence of such facts should be drawn from the fact of our representation of Developer.

(d) In rendering the opinions set forth above we have relied, to the extent we believe appropriate, as to matters of fact, (i) upon statements of the members and managers of Developer, (ii) upon representations and warranties of Developer contained in the Documents and the Certificates, and the Searches and we have made no independent investigation or verification of said facts. No opinion is being expressed as to the effect of any event, fact or circumstance of which we have no actual knowledge.

(e) For purposes of our opinion, we have assumed that (i) the Documents have been duly authorized, executed and delivered by the City, are within the City's corporate power, constitute the City's legal obligation in accordance with rules and regulations governing the conduct of the City's business and this transaction; (ii) the Documents will be enforced in circumstances and in a manner which is commercially reasonable; and (iii) the City is not subject to any statute, rule or regulation or any impediment that requires the City to obtain the consent of, or to make any declaration or filing with, any governmental authority in connection with the transactions contemplated by the Documents.

(f) The opinions expressed above are subject to the following exceptions, limitations and qualifications: (i) the characterization of, and the enforceability of any rights or remedies in any agreement or instrument may be limited by applicable bankruptcy, insolvency, rehabilitation, liquidation, conservation, dissolution, reorganization, moratoria, fraudulent conveyance or transfer, equitable subordination or similar laws and doctrines affecting the rights of creditors generally and general equitable principles; (ii) applicable laws or judicial decisions which may affect the enforcement of certain remedies, waivers and other provisions contained in the Documents, but which laws and judicial decisions, in our judgment, do not make the remedies provided therein and available at law or in equity, considered in their entirety, inadequate for the ultimate realization of the security to be provided thereby; (iii) the availability of specific performance, injunctive relief or any other equitable remedy is subject to the discretion of a court of competent jurisdiction; (iv) the provisions of any documents, agreements or instruments that (A) may require indemnification for liabilities under the provisions of any federal or state securities laws or with respect to the action, inaction, neglect or conduct of the indemnified party or its representatives or agents; (B) purport to confer, waive or consent to the jurisdiction of any court; or (C) waive any rights granted by common or statutory law, may be unenforceable as against public policy; (v) any provisions of the Documents granting so-called "self-help," power of sale or extrajudicial remedies may not be enforceable; and (vi) general principles of equity and general requirements of good faith, fair dealing and commercial reasonableness (regardless of whether considered in a proceeding at law or in equity). We further advise that the award and the amount of attorneys' fees are subject to the discretion of the court before which any proceeding involving the Documents may be brought.

(g) We render no opinion with respect to the enforceability under Illinois law of any provision of any of the Documents which provide for the compounding of interest

or the payment or accrual of interest on interest. Please note that the Illinois Supreme Court has held in *Bowman v. Neely*, 151 Ill. 37 (1894) and 137 Ill. 443 (1891), and its progeny that compounding of interest and charging interest on interest is contrary to the public policy of the State of Illinois.

(h) We have not undertaken any independent review of (i) the status of zoning of any property; (ii) the compliance of any property with applicable health, safety, zoning, building, subdivision, environmental, pollution or other law, code or regulation; (iii) the title or ownership of any real or personal property; (iv) applicability of ERISA laws, rules and regulations; or (v) the effect of any state or federal taxation, securities, or so-called "blue sky" laws, rules and regulations upon the matters referred to herein, and we render no opinion with respect to any of the foregoing.

(i) We express no opinion as to matters of title or priority or perfection of liens or security interests with regard to real and personal property. We understand that, with respect to the real and personal property, security interests intended to be created by the Documents and the priority of the liens thereof, you will rely on a title insurance policy and such Uniform Commercial Code and other searches as you deem adequate and, accordingly, we express no opinion as to such matters.

This opinion is limited to the matters stated herein as of the date hereof. We disavow any obligation to update this opinion or advise you of any changes in our opinion in the event of changes in applicable laws or facts becoming effective after the date hereof or if additional or newly discovered information is brought to our attention. This opinion is provided to you as a legal opinion only and not as a guaranty or warranty of the matters discussed herein or in the documents referred to herein. No opinion may be inferred or is implied beyond the matters expressly stated herein and no portion of this opinion may be quoted or in any other way published without the prior written consent of the undersigned. This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

WILDMAN, HARROLD, ALLEN & DIXON LLP

**CERTIFICATE OF EXPENDITURE**

\_\_\_\_\_, 200\_\_

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
[\$11,475,000] Tax Increment Allocation Revenue Note  
(Roosevelt Square/ABLA Project Redevelopment Project), Tax Exempt Series [200\_] [A]  
(the "Developer Note")

This Certificate is submitted to you, as Registered Owner of the Developer Note, pursuant to the Ordinance of the City authorizing the execution of the Developer Note adopted by the City Council of the City on \_\_\_\_\_, 200\_\_ (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

The City hereby certifies that \$\_\_\_\_\_ is advanced as principal under the Developer Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Developer Note is \$\_\_\_\_\_, including the amount of this Certificate and less payments made on the Developer Note.

IN-WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of \_\_\_\_\_, \_\_\_\_.

CITY OF CHICAGO

By: \_\_\_\_\_, Commissioner  
Department of Planning and Development

AUTHENTICATED BY:

\_\_\_\_\_  
REGISTRAR