

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
WATER QUALITY STANDARDS AND)
EFFLUENT LIMITATIONS FOR THE) R08-9 (a)
CHICAGO AREA WATERWAY SYSTEM) (Rulemaking – Water)
AND THE LOWER DES PLAINES RIVER:)
PROPOSED AMENDMENTS TO 35 ILL..)
ADM. CODE PARTS 301, 302, 303 and 304)

NOTICE OF FILING

To: see attached Service List

PLEASE TAKE NOTICE that on the 15th Day of April, 2010, I filed with the Office of the Clerk of the Illinois Pollution Control Board the attached:

The Southeast Environmental Task Force's Final Comments on Recreational Uses

a copy of which is hereby served upon you.

By: Keith Harley
Keith Harley, Chicago Legal Clinic, Inc.


Dated: April 15, 2010

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CERTIFICATE OF SERVICE

I, Keith Harley, the undersigned attorney, hereby certify that I have served the attached Southeast Environmental Task Force's Final Comments on Recreational Uses

by depositing said documents in the United States Mail, postage prepaid, from 227 W. Monroe, Chicago, IL 60606, before the hour of 5:00 p.m., on this 15th Day of April, 2010.



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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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WATER QUALITY STANDARDS AND)
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PROPOSED AMENDMENTS TO 35 ILL.)
ADM. CODE PARTS 301, 302, 303 and 304)

**The Southeast Environmental Task Force's
Final Comments on Recreational Uses**

Now comes Keith Harley of the Chicago Legal Clinic, Inc. on behalf of his client, the Southeast Environmental Task Force, and respectfully submits the following comments on proposed recreational use designations in this Rulemaking.

The Southeast Environmental Task Force (SETF) is a not-for-profit organization dedicated to serving the southeast side and the south suburbs of Chicago by promoting public education about local environmental resources and promoting opportunities for regional sustainable development. SETF has a longstanding commitment to ensure that the Calumet waterways - including the Calumet River, Lake Calumet, the Little Calumet River, the Grand Calumet River and the Cal-Sag Channel (collectively, the Calumets) - are safe for existing and future recreational uses by its members and the public at large. These comments focus on evidence now before the Illinois Pollution Control Board (the Board) establishing recreational uses of the Calumets.

These final comments summarize the evidence now before the Board about recreational uses of the Calumet waterways. By way of summary, it is unmistakably evident that the Calumet waterways are widely used by members of the public for recreational fishing, paddling and boating, and that these uses are increasing. Just as

importantly, the Calumet waterways flow through or adjacent to multiple forest preserves, parks, marinas, boat launches and other permanent points of public access to the Calumets for recreational uses. Because of the existing uses of the Calumet waterways and the multiple, permanent points of public access to the Calumets for recreation, these waters are properly characterized as used for recreational purposes. Indeed, it would be against the manifest weight of evidence to make any other finding.

I. Recreational Uses of the Calumets Are Evidenced By Multiple, Permanent Points of Public Access to the Calumets for Fishing and Boating

There are multiple, permanent recreational facilities on the Calumet waterways. There are at least 12 existing recreational facilities along the Calumets, including marinas, public boat launches and a new residential development that includes a boating facility. Board Exhibit 331 is a map of these 12 permanent recreational facilities, each of which provides a permanent point of access to the Calumets:

1. Alsip Boat Launch – 127th St. and Laramie, Alsip
2. Beaubien Woods Boat Launch – Beaubien Woods Forest Preserve
3. Chicago's Finest Marina – 557 E. 134th Pl., Chicago
4. Crowley's Yacht Yard - 3434 E. 95th St., Chicago
5. Fay's Point – 1518 W. Broadway, Blue Island
6. Marine Services Corporation – 14001 Cottage Grove Ave., Dolton
7. Pier 11 – 826 E. 138th St., Riverdale
8. Rentner Marine – 13535 S. Forest Ave., Chicago
9. Riverdale Marina – 13100 S. Halsted, Riverdale
10. Skipper's Marina – 13421 S. Vernon, Chicago
11. Sunset Bay – 13601 S. Calhoun Ave., Chicago
12. Worth Boat Launch – 115th St., two blocks west of Harlem, Worth

These recreational facilities extend from the mouth of the Calumet River on the east (Crowley's Yacht Yard at 3434 East 95th) to Harlem Avenue on the west (the Worth Boat Launch, just west of Harlem, which is 7200 West, on 115th Street).

Notably, the roster of recreational facilities has and continues to grow, including newer public boat launches in Worth and Alsip and a new residential/marina community at Fay's Point in Blue Island. The Worth and Alsip boat launches, which are designed for the public to have access to the Calumets using small watercraft, are constructed on land that is being leased to these municipalities by the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) (TR. 9/08/08 a.m. at 109 - 110). They are leased by MWRDGC without any restriction about the types of boats that can be launched. (TR. 9/08/08 a.m. at 120 - 121). According to Richard Lanyon, the General Superintendent of MWRDGC, the District's Waterway Strategy encourages public open space recreation and water edge accessibility in its properties. (TR. 9/08/08 a.m. at 129 - 130).

SETF Exhibit 332 is a more detailed description of each of the existing recreational facilities. At least two of the facilities, the Alsip and Worth Boat Launches, are seasonal public facilities that are designed to facilitate small watercraft use of the Calumet waterways. (Exhibit 332, p. 1 and p. 21). The Worth Boat Launch has been the point of entry for anglers participating in bass fishing tournaments, including the 1,200 anglers who competed in the 30th edition of the BASS Masters Classic in the Calumets in July, 2000. (Exhibit 330 at p. 3). Fay's Point, a residential marina and river walk community, also provides access for rowing clubs to practice and compete on the Calumet waterways. (Id. at pp. 5-9). For example, on November 4, 2007, the first annual Southland Regatta originated at Fay's Point. (Exhibit 330 at p. 3). Five major universities participated in this premier Division I rowing competition with over 300 female rowers in the Cal-Sag

Channel. Id. Using a public point of access, the Chicago Rowing Center has been using the Cal-Sag for training since early 2006. Id.

Beaubien Woods, a Cook Forest Preserve District Property, has a public boat launch to the Little Calumet River. (Id. at 2). The capacity of other facilities is evidence of the intensity of recreational uses of the Calumets. For example, the Sunset Bay Marina has 80 slips (Id. at 20), comparable in size to Marine Services (Id. at 10-12), Pier 11 (Id. at 13-15) and Skipper's Marina (Id. at 18-19). The Riverdale Marina can accommodate 300 boats (Id. at 17). A new facility, Chicago's Finest Marina, offers slip rentals and riverside picnic facilities (Id. at 3). Simply stated, the launching and operation of recreational water craft is a well-established and growing use of the Calumet waterways.

II. Numerous Cook County Forest Preserve Properties and Residential Areas are Immediately Adjacent to the Calumets

In addition to recreational facilities that support boating, paddling and fishing, there are also several public parks and residential areas adjacent to the Calumet waterways. SETF Exhibit 331 shows several green-shaded parks and forest preserves that are immediately adjacent to the Calumet waterways. These include the Beaubien Woods, a Cook County Forest Preserve Property that provide boating and fishing access to the Little Calumet River. Whistler Woods, also a Cook County Forest Preserve Property, includes picnic facilities and is adjacent to the Cal-Sag Channel at 134th Street and Halsted in Riverdale. Approximately 6 miles of the public Palos Preserve are immediately adjacent to the Cal-Sag Channel, running along both the north and south banks of the Cal-Sag. Beaubien Woods, Whistler Woods and the Palos Preserves are

public lands that are permanent points of access to the Calumet waterways for any member of the public.

Several residential areas are immediately adjacent to the Calumets and have direct points of public access to these waterways. Altgeld Gardens, a Chicago Housing Authority community, is immediately north of the Little Calumet. Its residents can directly access this waterway through the Beaubien Woods Forest Preserve, which is adjacent to Altgeld Gardens. Whistler Woods provides a point of access for residents of Riverdale. Fay's Point provides direct access to the Cal-Sag for residents of Blue Island. Alsip and Worth residents can access the Cal-Sag through boat launches and adjacent waterfront areas in their communities. Simply, the Calumets are water bodies that flow through or are adjacent to parks and residential areas that offer members of the public direct access to, and potential contact with, these waterways. Moreover, these unobstructed points of access are permanent features.

**III. The Calumets Are Public Waters, and Public Recreational Uses are Compatible
With The Commercial Uses of These Waterways**

The Calumet waterways are public waters of the State of Illinois, and the open use of their entire length and surface area by the public is mandated under Illinois law. Many participants in this rulemaking point out that the Calumet waterways are manmade or significantly altered, and accommodate commercial barges and ships. However, as evidenced by Exhibit 333, all of these waterways are designated as public bodies of water that must be open to members of the public throughout their entire length and surface area.

In fulfillment of its delegated authority under Illinois law, the Illinois Department of Natural Resources designates Public Bodies of Water in Illinois. 17 IAC Part 3704 Appendix A. The designated Public Bodies of Water "...were navigable in their natural condition or were improved for navigation and opened to public use." Id. As such...

"The entire length and surface area in Illinois, including all backwater lakes and sloughs open to the main channel or body of water at normal flows or stages, are open to the public unless limited to a head of navigation as stated." Id.

The Calumet River, Lake Calumet and the entrance channel to Calumet River, the Grand Calumet River and the Little Calumet River are designated as Public Bodies of Water, open to the public throughout their entire length and surface area. Id. The Calumet Sag Channel is designated as a primarily artificial navigable water that was opened to public use. Id.

Despite the speculation of some participants in this rulemaking, there is no credible evidence that the public uses of the Calumets is in any way incompatible with its commercial uses. Vic Crivello is recreational boater who moors his boat at the Marine Services Marina. He boats on the Calumets at least three weekends a month from May to October. (Exhibit 330 at 2). Vic Crivello characterizes the public recreational uses of the Calumets in the following way:

Every week during the boating season, hundreds of families recreate on the Calumet River system... The recreational uses I observe include power boating, waterskiing, jet skiing, tubing, kayaking, swimming, rowing and fishing. During the boating season, recreational activities are quite prevalent in the area. There can be as many as 100 boats on a given day. Today, along with the growing popularity of power boating, jet skiers and waster-skiers are becoming more common. I believe we will continue to see more jet skiers and water-skiers in upcoming years. I have also seen an increase in canoeing and kayaking activities. On any given weekend, I observe upwards of twenty or more fisherman in small boats fishing on the Calumet waterway system. Id.

Yet, Vic Crivello never witnessed an accident between a commercial and a recreational boat in the Calumets. He describes features of the waterways, boating practices and institutional controls that are in place to prevent accidents. These include no wake zones along the Calumet River, the six mile waterway segment from the O'Brien Lock to Lake Michigan. Id. At the O'Brien Lock, commercial traffic (barges and their tugs) have right-of-way over recreational craft, which queue while waiting for the barges to navigate the lock. (Tr. 10/5 a.m. at 24). Consequently, Crivello never witnessed a backlog of commercial traffic at the O'Brien Locks. Id. The width of the Little Calumet and the Cal-Sag south of the O'Brien Locks is approximately 50 yards, providing more than enough room for recreational users to pass barges in a safe way. (Exhibit 330 at 2; see also: "...And also the river system is wide enough that the small boats are over on the side where the barges stay in the middle, and so there's always room for them...", TR. 10/5 a.m. at 25-26). For annual events like rowing competitions, the entire affected waterway segment is closed to other water craft. Id. at 15-16. Finally, Crivello emphasizes that every operator of a water craft on any water body bears a responsibility to observe maritime law, to respect established right-of-way rules, to responsibly handle his/her craft, and to protect passengers and their possessions. Id. at 25. Crivello notes that even the owner of his marina, who has 30 years experience on the Calumets, could only remember one incident of an accident between a barge and a recreational craft, which occurred only because the boat lost power and "...got nicked by a barge." Id. at 26.

IV. Recreational Uses of the Calumets Are Expanding

Several witnesses testified and presented exhibits evidencing even greater recreational uses of the Calumets in the immediate future. Laura Barghausen, Associate Greenways Director for Openlands, discussed Exhibit 345, the Northeastern Illinois Regional Water Trail Plan. (TR. 10/5 p.m. at 133-4.) The Calumet Waterways, including the Calumet River and the Little Calumet River, are included in this integrated land and waterway trail plan described in Exhibit 352: “Water Bodies Identified in the Northeastern Illinois Regional Water Trail Plan”. Exhibit 359, introduced by Gerald Adelman, Executive Director of Openlands, is a brochure created by the Calumet Initiative of the City of Chicago’s Department of the Environment, entitled “Discover the South Suburban Calumet Region—Notes on the Natural Area, Rivers, and Trails.” (TR. 10/5 p.m. at 222.) Other similar brochures include Exhibit 358, “The Cal Sag Trail: It’s About Connections,” and Exhibit 360, “Discover Blue Island, the Historic Part of Chicago Southland.” Mr. Adelman also discussed Exhibit 361, “The Calumet River Corridor Economic Development Vision and Strategy,” a plan developed by seven south suburban communities linked by the Calumet River System. (TR. 10/5 p.m. at 222.) He read the following from that Exhibit:

“The Little Calumet River and the Calumet Sag Channel provide unique and valuable assets for the future development of the area. They flow through forest preserves and parks, natural habitat, undeveloped open space, farmland, and cultural and recreational areas. Several projects have been proposed and initiated in an effort to take full advantage of these assets. The significant amount of vacant land and open space provides opportunities to develop the corridor as a recreational natural asset, as well as a magnet for development and redevelopment near the river.” (TR. 10/5 p.m. at 224).

Local units of government and public agencies are actively encouraging, promoting, and facilitating recreational uses of the Calumet area waterways. For example, just days prior to the testimony of Adelman, Barghausen and Crivello, the City of Chicago proposed the Calumet River Redevelopment Project on a 510.8 acre area that includes more than 24 acres of Little Calumet River waterway. “*The Calumet River Tax Increment Financing Redevelopment Plan and Project, City of Chicago*”, September 30, 2009. The centerpiece of this project is to redevelop and expand marina operations along this waterfront portion of the Little Calumet. *Id.* at p. 4-2. The project proposal states, “As the defining characteristic of this riverfront area, the marina should be expanded and become the focal point for development and redevelopment actions in this Area.” *Id.* The project proposal further states: “Marina-related uses such as restaurant and entertainment venues, waterfront recreation facilities, convenience services and retail opportunities should be expanded and upgraded to provide more opportunities for non-boaters to visit the area.” *Id.* The project proposal asserts: “Future development should capitalize on the riverfront location, recognize the opportunities generated by a revitalized, enhanced marina and provide services and retail opportunities complementary to recreational uses. There are opportunities for development of convenience-oriented retail and services geared toward marina and recreation traffic to the Area.” *Id.* at 4-4. Separate and apart from the marina, the City envisions a recreational area connected to the Ford Calumet Environmental Center that could include a boat launch, a dedicated canoe/kayak launch and/or an outdoor recreation area that includes RV camping adjacent to the river. *Id.* at 6-3. The entire riverfront area could connect to inland recreational trails on the closed CID landfill property that makes up the bulk of the redevelopment

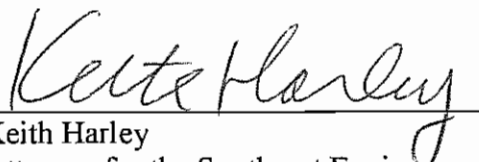
area. Id. at 6-4. A true and accurate copy of “*The Calumet River Tax Increment Financing Redevelopment Plan and Project, City of Chicago*”, September 30, 2009, is being sent to the Hearing Officer with a request for it to be included as an Exhibit in this proceeding.

This City project, which reflects the post-industrial re-envisioning of the recreational and economic potential of the Calumet region arising from its waterways and adjacent open space, is not the wild-eyed speculation of Vic Crivello, Openlands advocates or the Southeast Environmental Task Force. This re-envisioning of the future of the Calumet region, arising from unlocking the recreational potential of its waterways and adjacent properties, was approved by the Chicago City Council by Ordinance on March 10, 2010. http://www.cityofchicago.org/city/en/depts/dcd/provdrs/ec_dev/news/2010/mar/city_council_approvesordinancesupportinghomeownershipresidentia.html

Recreational uses of the Calumets are expanding, which is also directly relevant to establishing the appropriate recreational use classification for these waterways.

In conclusion, the Southeast Environmental Task Force asserts that the Calumets are used for a wide range of recreational activities, that these activities occur in large part because of permanent points of public recreational access to the Calumets, that the Calumets are public waterways that can safely accommodate public and commercial uses, and that recreational uses of the Calumets are rapidly accelerating. For these reasons and others stated, the Southeast Environmental Task Force asserts the Board must reclassify the Calumets consistently with their recreational uses and, in turn, mandate measures to protect these uses.

Respectfully Submitted,

A handwritten signature in black ink that reads "Keith Harley". The signature is written in a cursive style and is positioned above a horizontal line.

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The Calumet River Tax Increment Financing Redevelopment Plan and Project



City of Chicago • Richard M. Daley, Mayor

September 30, 2009

PGAVURBANCONSULTING

with assistance from
ERNEST R. SAWYER ENTERPRISES, INC. &
GOODMAN WILLIAMS GROUP

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MAP

- Location Map – Calumet River TIF Redevelopment Project Area 1-2

APPENDIX

Attachment One - Eligibility Study

Attachment Two – Maps and Plan Exhibits

- Exhibit A Boundary Map of TIF Area
- Exhibit B-1 Sub-Area Key Map (East)
- Exhibit B-2 Sub-Area Key Map (West)
- Exhibit C-1 Existing Land Use Map (East)
- Exhibit C-2 Existing Land Use Map (West)
- Exhibit D-1 Existing Conditions Map (East)
- Exhibit D-2 Existing Conditions Map (West)
- Exhibit E Existing Zoning Map
- Exhibit F Adjacent Redevelopment Areas Map
- Exhibit G-1 Generalized Land Use Plan (East)
- Exhibit G-2 Generalized Land Use Plan (West)
- Exhibit H-1 Land Acquisition Map (East)
- Exhibit H-2 Land Acquisition Map (West)
- Exhibit H-3 Land Acquisition List

Attachment Three – Legal Description

**Attachment Four – 2007 Estimated E.A.V. by Tax Parcel and
Parcel ID and Locator Identification Maps**

Attachment Five – Photo Appendix of Existing Conditions

SECTION I - EXECUTIVE SUMMARY**A. Area Location**

The Area is located approximately 16 miles south of downtown Chicago at the extreme southern limits of the City's corporate boundary. The Area is bisected by the Little Calumet River and is bounded by the Bishop Ford Expressway on the west. The Area's north boundary is 130th Street west of the river and 134th Street east of the river, with Torrence Avenue serving as the east boundary. The south boundary of the Area is coterminous with the boundary dividing the City of Chicago and the municipalities of Burnham and Calumet City.

The Area in total consists of 534.9 acres, which includes approximately 24.1 acres of Little Calumet River waterway. Of the Area's remaining 510.8 acres, 72.6 acres is (non-waterway) public right-of-way, much of which is platted but unimproved. Excluding all public rights-of-way, the Area consists of 438.2 acres of real property contained in 307 tax parcels. The boundaries of the Area are described in the **Plan Appendix, Attachment Three - Legal Description** and are geographically shown on **Plan Appendix, Attachment Two, Exhibit A - Boundary Map of TIF Area**. The existing land uses are identified on **Plan Appendix, Attachment Two, Exhibit C - Existing Land Use Map**.

The Area is bordered by the Lake Calumet Industrial Corridor TIF on the north and the east. A map indicating the location and name of the existing adjacent redevelopment area is provided in the **Appendix Attachment Two, Exhibit F, Adjacent Redevelopment Areas Map**.

B. Existing Conditions

Approximately 80% of the Area is unimproved property that is defined as "vacant" for purposes of TIF qualification, but much of the Area's unimproved property is inactive landfill or is used for active landfill operations. East of the river, much of the vacant land is used for open storage of boats, semitrailers, shipping containers, junk vehicles or equipment. The primary commercial uses in the Area east of the river are two marina operations located along the riverfront. Industrial land uses in the Area include the improved landfill properties and small industrial buildings along 130th Street. Three mobile homes are occupied in the Area as residential dwellings (see **Appendix, Attachment Two, Exhibit C, Existing Land Use Map**). The entire Area is zoned M-3 Heavy Industrial, as shown on **Exhibit E, Existing Zoning Map of Attachment Two of the Appendix**.

Many of the structures and site improvements in the Area are in need of repair, as documented in the **Eligibility Study** included as **Appendix, Attachment One**. Lack of widespread public and private investment is evidenced by significant needs in the public infrastructure and deterioration of private properties. The Area is further characterized by the following conditions for the improved portion of the Area:



Legend

- ★ Redevelopment Project Area Location
- ▭ Municipal Boundaries

Location Map

Calumet River TIF Redevelopment Project Area
City of Chicago, Illinois

PG&V/URBANCONSULTING

- dilapidation (24% of buildings);
- obsolescence (29% of buildings);
- deterioration of buildings and site improvements (60% of structures and 62% of improved parcels);
- presence of structures below minimum code standards (24% of buildings);
- excessive vacancies (10% of buildings);
- inadequate utilities (73% of blocks);
- excessive land coverage or overcrowding of structures (38% of sub-areas);
- deleterious land use and layout (73% of blocks); and
- lack of community planning (82% of blocks).

In addition, very little of the platted street right-of-way is improved. Those street improvements that do exist have deteriorated pavement, inadequate surfacing, insufficient lighting and signage, and lack curb, gutter, and sidewalk. The conditions and locations of these conditions are further detailed in the Eligibility Study.

The vacant portion of the Area is characterized by the following conditions:

- obsolete platting (76% of blocks);
- diversity of ownership (47% of blocks);
- deterioration of structures in neighboring areas (91% of vacant sub-areas¹);
- tax delinquencies (67 PINS concentrated in 12% of sub-areas); and
- unused or illegal disposal sites (55% of vacant sub-areas).

Sub-par EAV growth applies to both vacant and improved portions of the Area.

C. Development & Assessed Valuation Trends

Due in large part to the blighting factors described above, the Area is grossly underutilized given the development potential of its unique riverfront location. Analysis of aerial photography and field investigation reveals that the junk equipment and abandoned boats and vehicles in the Area have been located there for years. The Equalized Assessed Value (EAV) of the Area grew at a rate below that of the remainder of the City in 4 of the last 5 years. In one of these, the Area's EAV declined significantly (more than 16%). Field investigation revealed that 60% of structures in the Area are over 35 years of age. Aside from the 2008 construction of a single boat storage building, investment in the Area has been minimal. The neglect of property summarized above provides evidence of a failure to properly maintain vacant land in the Area and supports a finding that the Area has not been subject to growth and investment.

¹ Sub-Areas are labeled on Exhibit B, Sub-Area Key Map, contained in the Plan Appendix as Attachment Two

D. Redevelopment Plan Purpose

Tax increment financing ("TIF") is permitted by the *Illinois Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"). The Act sets forth the requirements and procedures for establishing a redevelopment project area and a redevelopment plan. This Calumet River Tax Increment Financing Redevelopment Plan and Project (hereafter referred to as the "Plan") includes documentation as to the qualifications of the Area. The purpose of this Plan is to create a mechanism that can mitigate blighting influences, encourage local growth and development, and attract new private development to the Area. In doing so, new development opportunities, new employment opportunities, and stabilization of existing developed areas can occur. This Plan identifies those activities, sources of funds, procedures, and various other necessary requirements in order to implement tax increment financing pursuant to the Act.

In conjunction with TIF eligibility analysis and planning, the City engaged the Consultant team to prepare a master plan for the portion of the Area east of the river. This planning work included real estate market analysis, which evaluated the feasibility of various land use alternatives. Based on the conclusions of this analysis, alternative concept development plans for the Area were prepared by the Consultant and reviewed by City staff. The master plan presented three alternative land use and layout concepts, all showing the same basic land uses. The **Generalized Land Use Plan** included as **Exhibit G in Attachment Two of the Appendix** is a generalized version of these concepts for the east portion of the Area. The Plan also designates land west of the river for recreational, municipal and industrial land uses.

E. Plan Goals & Actions

The TIF program will help to address the blighting conditions present in the Area, redevelop and expand existing businesses within the Area, and attract new commercial development opportunities. It represents an opportunity for the City to implement a program to expand the tax base of the Area, and its initiatives are designed to arrest the spread of blight and decline throughout the Area. Listed below are the general goals of the Area. These goals were derived from a combination of sources such as previous planning studies relevant to the Area, analyses of specific conditions within the Area, input by the City's Department of Community Development, community meetings and discussions with elected officials.

Plan Goals

1. Eliminate the blighting conditions (especially building deterioration, utility inadequacies, code violations, illegal disposal sites, deleterious land uses and obsolete platting) that cause the Area to qualify for TIF.
2. Establish a program of public and private improvements that will promote high-quality destination-oriented development that capitalizes on the Area's unique riverfront location.

3. Encourage investment and redevelopment in the Area that will expand the range of recreational, retail, or service opportunities for those who visit or reside in the surrounding region.
4. Promote environmental remediation and sustainability in the redevelopment of the Area, reflecting the environmental restoration efforts in nearby areas.
5. Encourage public and private improvements that recognize the Area's location as a gateway to the City of Chicago from the south (along Torrence Avenue and the Bishop Ford Expressway).

The City proposes to use TIF, as well as other economic development resources, when available, to address needs in the Area and induce the investment of private capital through various actions. The City recognizes that blighting influences will continue to weaken the Area unless the City itself becomes a leader and a partner with the private sector in the revitalization process. Consequently, the City wishes to encourage private development activity by using TIF as an implementation tool to facilitate the following actions:

Actions

- Redevelop and enhance marina operations through the use of TIF and other redevelopment mechanisms.
- Facilitate re-use of landfill parcels in a way that maximizes their potential to be a productive asset for the community.
- Remediate blighting conditions on vacant land east of the river.
- Remove incompatible land uses.
- Assemble land to create viable development sites that are compatible with redevelopment concepts for the Area.
- Construct, extend or improve water, sanitary sewer and other public and private utility lines in the Area.
- Improve the quality of existing streets and construct public streets and paths to facilitate development and create a pleasant environment.
- Implement a design theme reflected in a program of streetscape improvements with uniform decorative lighting and related improvements.
- Encourage new commercial and recreation-oriented development projects.
- Rezone the Area east of the river from M3 to district that permits planned mixed-use development.
- Market and promote the Area as a unique destination for recreation and business.
- Provide assistance for job training, day care, and other services permitted under the Act.

F. Redevelopment Plan and Project Costs

The anticipated activities and associated costs are shown in **Table 6-1, Estimated Redevelopment Project Costs**, included herein. The total estimated costs for the activities listed in **Table 6-1** are \$25,000,000.

G. Summary & Conclusions

This Plan summarizes the analyses and findings of the Consultants' work, which, unless otherwise noted, is the responsibility of PGAV Urban Consulting ("Consultant"). The City is entitled to rely on the findings and conclusions of this Plan in designating the Area as a redevelopment project area under the Act. The Consultant has prepared this Plan and the related Eligibility Study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related Eligibility Study in proceeding with the designation of the Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant compiled the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

The study and survey of the Area indicate that the factors required to qualify the Area as a Blighted Area are present and that these factors are present throughout the Area. Therefore, the Area qualifies as a redevelopment area under the terms of these definitions in the Act. This Plan, and the supporting documentation contained in the Eligibility Study, indicates that the Area on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Plan.

**SECTION II – AREA LOCATION, LEGAL DESCRIPTION AND
PROJECT BOUNDARY**

The Area is located approximately 16 miles south of downtown Chicago at the extreme southern limits of the City's corporate boundary, west of the City's Hegewisch neighborhood and east of the Bishop Ford Expressway (I-94). The area is bisected by the Little Calumet River and is bounded by the Bishop Ford Expressway on the west. The Area's north boundary is 130th Street west of the river and 134th Street east of the river, with Torrence Avenue serving as the east boundary. The south boundary of the Area is coterminous with the boundary dividing the City of Chicago from the municipalities of Burnham and Calumet City.

Excluding the Calumet River waterway, the Area consists of 438.2 acres of real property in 307 tax parcels and approximately 72.6 acres of (non-waterway) public right-of-way, much of which is platted but unimproved (sometimes referred to as "paper streets"). By including 24.1 acres of Calumet River waterway, the Area's total boundary is 534.9 acres. The Area east of the river consists of all or portions of 14 blocks bounded by street right-of-way. The smallest of these blocks consists of three platted lots and the largest is 42 lots.

The boundaries of the Area are described in the **Plan Appendix, Attachment Three - Legal Description** and are geographically shown on **Plan Appendix, Attachment Two, Exhibit A - Boundary Map of TIF Area**. The boundaries of the Area include only those contiguous parcels of real property and improvements substantially benefited by the activities to be undertaken as a part of the Plan. Since the boundaries of the Area include 534.9 acres, the statutory minimum of 1.5 acres is exceeded.

The Area is bordered by the Lake Calumet Industrial Corridor TIF on the east and north. A map indicating the location and name of the existing adjacent redevelopment area is provided in the **Appendix Attachment Two, Exhibit F, Adjacent Redevelopment Areas Map**.

All properties within the Area will benefit from a program that will address the blighted conditions of the Area.

**SECTION III - STATUTORY BASIS FOR TAX
INCREMENT FINANCING****A. Introduction**

In January 1977, Tax Increment Financing (TIF) was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (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 equalized assessed value (EAV) of 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.

TIF does not generate tax revenues by increasing tax rates. It generates revenues by allowing the municipality to capture, for a specified period, the new 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. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, etc., as permitted by the Act.

Under the Act, 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 redevelopment project costs necessary to implement the plan have been paid. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

As used herein and in the Act, the term "Redevelopment Project" ("Project") means any public and private development project in furtherance of the objectives of a redevelopment plan. The term "Area" means an area designated by the municipality, which is not less in the aggregate than 1-1/2 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, a blighted area or a conservation area, or a combination of both blighted area and conservation area. The term "Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area for utilization of tax increment financing.

The Illinois General Assembly made various 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 and welfare.

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 specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies for designation. With certain exceptions, an area must qualify generally either as:

- a blighted area (both "improved" and "vacant" or a combination of both); or
- a conservation area; or
- a combination of both blighted areas and conservation areas within the definitions for each set forth in the Act.

The Act offers detailed definitions of the blighting factors used to qualify areas. These definitions were used as the basis for preparing the Eligibility Study.

B. *The Redevelopment Plan for the Calumet River Tax Increment Financing Redevelopment Project Area.*

As evidenced in the **Eligibility Study** and summarized herein, the Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Area as a whole will be redeveloped without the use of TIF.

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

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 urban planning principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated; and
3. Within a reasonable and defined period so that the Area may contribute productively to the economic vitality of the City.

This Plan sets forth the overall Project which are those public and private activities to be undertaken to accomplish the City's above-stated goal. During implementation of the 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 entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

Successful implementation of this Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Area. Tax increment financing will be one of the tools that will help the Area develop on a comprehensive and coordinated basis, thereby reducing or eliminating the conditions that have precluded development of the Area by the private sector. 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 Area.

**SECTION IV – REDEVELOPMENT GOALS
AND ACTIONS**

This section presents redevelopment goals for the Area and actions intended to achieve these goals. The basis for development of the goals and actions includes the Consultant's observation and analysis of the existing conditions of the Area, consideration of the site's unique geographic attributes, and the land uses and conditions of the surrounding region. Additional sources include the *Calumet Area Land Use Plan* and related planning documents for the Calumet Area, input by the City of Chicago Department of Community Development, as well as feedback from community leaders and stakeholders in the Area.

The boundaries of the Area as described in the **Appendix as Attachment Two, Exhibit A, Boundary Map** were established after investigation of the existing conditions in the Area to maximize utilization of development tools created by the Act and its ability to address Area problems.

As a result of these efforts and reviews, the boundaries and various goals and objectives have been established for the Area as noted in this section.

A. Goals for Calumet River Redevelopment Project Area

Listed below are the goals for redevelopment of the Area. These goals provide overall focus and direction for this Plan as follows:

1. Eliminate the blighting conditions (especially building deterioration, utility inadequacies, code violations, illegal disposal sites, deleterious land uses and obsolete platting) that cause the Area to qualify for TIF.
2. Establish a program of public and private improvements that will promote high-quality destination-oriented development that capitalizes on the Area's unique riverfront location.
3. Encourage investment and redevelopment in the Area that will expand the range of recreational, retail, or service opportunities for those who visit or reside in the surrounding region.
4. Promote environmental remediation and sustainability in the redevelopment of the Area, reflecting the environmental restoration efforts in nearby areas.
5. Encourage public and private improvements that recognize the Area's location as a gateway to the City of Chicago from the south (along Torrence Avenue and the Bishop Ford Expressway).

B. Redevelopment Actions

Listed below are the redevelopment actions that will be implemented to meet the goals outlined above.

1. Redevelop and enhance marina operations through the use of TIF and other redevelopment mechanisms.

- Marina operations currently consume a considerable portion of the Area east of the river. As the defining characteristic of this riverfront area, the marina should be expanded and become the focal point for development and redevelopment actions in the Area.
- Despite serving as the key defining feature in the Area, there is a serious need for significant investment in the marinas. Especially toward the southern edge of the Area, there are many blighting factors associated with the marina operations, including unsightly open storage of equipment and materials, poorly organized boat storage, dilapidated buildings and generally inadequate, obsolete facilities.
- Given the limited size of the area and the need for improved operational efficiency of the marinas, the long-term consolidation of the two operations will be necessary to operate at a quality and scale to drive a viable development concept for the area.
- Marina-related uses such as restaurant and entertainment venues, waterfront recreation facilities, convenience services and retail opportunities should be expanded and upgraded to provide more opportunities for non-boaters to visit the Area.

2. Facilitate re-use of landfill parcels in a way that maximizes their potential to be a productive asset for the community.

- Creative reuse of the inactive landfill parcels, particularly for recreational use, should be explored to ensure that this land is used to achieve its optimal value. Redevelopment mechanisms such as tax increment financing may be necessary to accomplish such an optimal reuse.
- Part of the Area west of the river is actively used for landfill and waste transfer operations. Although expected to remain as an industrial use in the short-term, advance planning should begin for the long-term transition from active landfill to a productive reuse that is compatible with the surrounding area.
- Certain physical improvements on the improved portions of the property (such as landscape enhancements, screening or roadway upgrades) will be necessary to achieve re-use of the inactive landfill while active landfill use continues to the south.

3. **Remediate blighting conditions on vacant land east of the river.**
 - Illegal disposal sites must be removed to make the Area viable for investment. Testing for environmental contamination is needed to fully assess the need for extraordinary measures to remove contaminants.
 - In order to efficiently remove disposal areas, abandoned equipment, junk vehicles and to ensure proper maintenance of unimproved land, acquisition by the City or development entity will be necessary.
4. **Remove incompatible land uses.**
 - Existing small industrial uses east of the river are not consistent with the long-term vision for quality redevelopment of that portion of the Area.
 - The small-scale warehousing, equipment storage, auto salvage, and similar uses in the Area east of the river represent minimal investment and underutilization of unique, valuable land.
 - The three mobile home dwellings in the Area are obsolete in nature, inappropriately located and an economic underutilization. Their removal should be encouraged.
 - The union hall occupies a pivotal location. Redevelopment of the site would create an opportunity to reshape the character of the area from the standpoint of land use and layout. However, relocation might prove to be costly, and redevelopment of the Area is possible without relocation of this use.
5. **Assemble land to create viable development sites that are compatible with redevelopment concepts for the Area.**
 - Diversity of ownership presents an obstacle for redevelopment of portions of the Area.
 - Develop a strategy of City land acquisition to facilitate development of the Area and implementation of the Redevelopment Plan.
6. **Construct, extend or improve water, sanitary sewer and other public and private utility lines in the Area.**
 - Existing utility layout is minimal. Provide necessary public improvements and facilities in accordance with modern design standards to facilitate investment in the Area.

-
7. **Improve the quality of existing streets and construct public streets and paths to facilitate development and create a pleasant environment.**
- Design a street layout that provides efficient access to public right-of-way, recognizing the specific future private development projects will ultimately have unique needs for circulation. Consider allowing for private shared-access drives and shared parking facilities to promote the most efficient use of land.
 - Considering that a number of buildings and private improvements in the Area encroach or are built entirely on public right-of-way, a strategy of vacating existing public right-of-way should be developed. Vacating or reconfiguring public right-of-way will increase the amount of developable land. As such, it is a valuable asset that the City can sell or transfer to private developers who propose to develop land in a manner consistent with the Redevelopment Plan.
8. **Implement a design theme reflected in a program of streetscape improvements with uniform decorative lighting and related improvements.**
- Create a coherent overall urban design that acknowledges the unique character of the Area and encourages a streetscape system that supports commercial and mixed-use redevelopment.
 - Design new buildings so they are compatible with a coherent architectural theme and context for the Area. This will be shaped, in part, by continued master planning of the Area.
9. **Encourage new commercial and recreation-oriented development projects.**
- Future development should capitalize on the riverfront location, recognize the opportunities generated by a revitalized, enhanced marina and provide services and retail opportunities complementary to recreational uses.
 - There are opportunities for development of convenience-oriented retail and services geared toward marina and recreation traffic to the Area.
 - Provide assistance to private developers and property owners to facilitate commercial or recreation-oriented redevelopment projects consistent with the goals and intent of this Redevelopment Plan.

10. Rezone the Area east of the river from M3 to a district that permits planned mixed-use development.

- The current M3 zoning district is inappropriate for redevelopment concepts presented in this Redevelopment Plan.
- Ideally, new zoning district(s) would be “planned development” or other district that would permit marina-related uses (including boat and engine repair) but generally prohibit industrial uses, general warehousing, outdoor storage, etc.

11. Market and promote the Area as a unique destination for recreation.

- Capitalize on the riverfront location and destination themes in promoting the opportunities for development of the Area and generating interest in visiting or patronizing businesses in the Area.

12. Provide assistance for job training, day care, and other services permitted under the Act.

- Encourage job training and job readiness programs through projects within the Area that focus on Area residents and women-owned and minority-owned businesses.

SECTION V – BASIS FOR ELIGIBILITY OF THE AREA & FINDINGS

A. Introduction

To designate a redevelopment project area, according to the requirements of the Act, a municipality must find that there exist conditions which cause such project area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The **Eligibility Study** included as **Attachment One** of the **Appendix** provides a comprehensive report documenting all factors required by the Act to make a determination that the Area is eligible under the Act. Following the background information provided below, a summary of the information provided in the **Eligibility Study** is presented.

B. Area Background Information

1. Existing Land Use and Zoning

A tabulation of the existing land use within the Area is provided below:

**Table 5-1
Tabulation of Existing Land Use**

Land Use	Land Area (Acres)	% of Gross Land Area ¹
Vacant Land	412.5	80.8%
Commercial	10.8	2.1%
Industrial	58.8	11.5%
Lock & Dam	26.2	5.2%
Residential	2.0	0.4%
Total	510.8	100%

¹Gross Land Area includes non-waterway public right-of-way.

The existing land uses itemized in **Table 5-1** show that approximately 80% of the Area is “vacant land”, as defined in the TIF Act. Although the term “vacant” is used for purposes of TIF qualification, it is important to note that much of this unimproved land is active or inactive landfill property (west of the river). East of the river, vacant land includes unimproved property used for boat and trailer storage and parcels that have been subject to illegal dumping or abandonment of vehicles or equipment.

Industrial uses west of the river include improved Waste Management parcels and several small industrial uses along 130th Street. The primary commercial uses in the Area are the two marina operations. Together, including unimproved land used for boat storage, the two marina operations occupy roughly 40% of the Area east of the river. Small-scale industrial uses, including warehousing and auto storage are

located in the Area east of the river. There are three residential units (mobile homes) located in the Area.

All of the Area is zoned M-3, Heavy Industrial. Zoning district boundaries are shown on **Exhibit E, Existing Zoning Map in Attachment Two of the Appendix.**

2. Other Redevelopment Efforts

One TIF redevelopment project area (the Lake Calumet Industrial Corridor TIF, T-103) has been established adjacent to the Area. This existing TIF Area includes property immediately north of the Project Area and to the east across Torrence Avenue, and is identified on **Exhibit F, Adjacent Redevelopment Areas Map**, contained in the **Plan Appendix as Attachment Two.** City of Chicago Enterprise Zone Number 3 covers portions of the Area west of the river and land adjacent to the Area (north of 130th and east of Torrence Avenue). There have also been concentrated City efforts to remove illegally dumped building refuse, trash and other materials from the site. Concrete barriers and signage have been installed in an attempt to prevent continued illegal dumping north of 135th Street.

As part of an extensive collaborative planning effort with various non-governmental organizations, the City has adopted three major planning documents for the wider area surrounding the Calumet Lake and Calumet River. The *Calumet Area Land Use Plan*, adopted by the Chicago Plan Commission in February 2002, provides guidance on appropriate land uses in the region and establishes goals for both economic development and preservation of natural areas. While the Calumet Area Land Use Plan's goals and objectives provides are relevant to the Area, the land use map does not provide specific land use designations for the Area east of the river.

The other two documents prepared as part of the City's cooperative planning effort for the Calumet Region are the *Calumet Open Space Reserve Plan* and the *Calumet Design Guidelines*. All three of these plans recognize the need for:

- environmental remediation;
- preservation and enhancement of natural areas;
- appropriate design in light of the unique environmental conditions and infrastructure of the region; and
- economic revitalization in an area expected to remain primarily industrial.

The guiding goals and recommendations of these plans have influenced the planning process for the Calumet River TIF.

3. Development Activity and Assessed Value Trends

As indicated in the **Eligibility Study** contained in the **Appendix as Attachment One**, field observation and analysis of aerial photography indicates that three buildings in the Area have been demolished in recent years. This comparison of field observation with aerial photography also indicates that much of the abandoned equipment, junk vehicles and inoperable boats east of the river have not been moved in years. This failure to properly maintain vacant land in the Area supports the finding that the Area has not been subject to growth and investment.

In 2008, an approximately 37,000 sq. ft. boat storage building was constructed in the central part of the Area. This appears to be the first new building constructed in the Area in well over a decade. According to field observation, 60% of structures in the Area are over 35 years of age (east of the river, more than three-quarters of structures are over 35 years old).

Historic Equalized Assessed Values (EAVs) for the Area and the rate of growth for the City of Chicago for the period between 2002 and 2007 are shown below on **Table 5-2 - Equalized Assessed Value Trends**. Between 2002 and 2007 the City of Chicago EAV increased from \$45.3 billion to \$73.6 billion². The annual percent change in EAV is indicated on **Table 5-2** provided below. In 2002 the EAV of the Area was approximately \$11.5 million. In 2007 the EAV of the Area was approximately \$12.8 million.

Table 5-2
Equalized Assessed Value Trends
2002-2007

Year	Area E.A.V.	Area % Change Over Previous Year	City of Chicago % Change Over Previous Year	Area E.A.V. Growth Rate Below City
2002	\$ 11,536,542	-	-	N/A
2003	\$ 12,295,706	6.6%	17.3%	Yes
2004	\$ 10,214,635	-16.9%	4.0%	Yes
2005	\$ 10,317,227	1.0%	7.3%	Yes
2006	\$ 11,728,346	13.7%	17.2%	Yes
2007	\$ 12,845,787	9.5%	5.9%	No

In four of the last five years, the total EAV of the Area has increased at a rate below the EAV growth rate for the balance of the City of Chicago. A TIF blighting factor is satisfied when an area's EAV has declined or grown at a "sub-par" rate for at least three of the last five years. This applies to both improved and vacant land.

² Source of historic City-wide EAV data is the 2007 City of Chicago Comprehensive Annual Financial Report, except for 2007 EAV, the source of which is the Cook County Clerk's 2007 EAV Agency Report.

Thus, the Area's sluggish growth rate since 2002 represents a blighting factor. The Area's increase in EAV of approximately \$1.3 million since 2002 represent an average annual growth rate of 2.2%, whereas the balance of the City has experienced an average annual EAV growth rate of more than 10%.

What limited EAV growth the Area has experienced since 2002 has, for the most part, not been the result of increased development or private investment. The year in which the Area experienced the largest increase in EAV, 2006, was also a triennial reassessment year for Lake Township. Growth in EAV for other years is also attributed to increases in the State equalization factor during this period. For instance, the equalization factor grew by 5% between 2006 and 2007, which partly explains the Area's 9.5% EAV growth in 2007.

It should be noted that an increase of approximately \$958,000 in EAV for one parcel associated with the Sunset Bay Marina property for 2008 is expected due to construction of the boat storage building. While marina improvements to date (such as new security fencing, demolition of outbuildings and construction of a patio) have cleaned up and protected the property, they represent a small fraction of the investment needed to redevelop the portion of the Area east of the river to create a viable high-quality district.

Notwithstanding pockets of improvement, it is evident from the age and condition of most of the buildings in the portion of the Area east of the river, that any growth in EAV has not been the result of investment. Much of the Area is unimproved and in need of major infrastructure investment to prepare the properties for development. A considerable portion of the vacant land in the Area would require significant clean-up of junk and debris, removal of abandoned boats, deteriorated semi-trailers, shipping containers and inoperable vehicles prior to development. It should also be noted that the use of property in the Area as unimproved storage also represents an economic underutilization of land wherein minimal amounts of property tax revenue are generated for the City and other taxing districts.

West of the river, reductions in the EAV of two Waste Management parcels, now inactive landfill parcels, also explain the Area's sluggish EAV growth in recently years. As landfill operations on parts of the property cease, the land's ability to generate income has declined, which poses a threat to the Area's ability to contribute property tax revenue in support of public services.

C. Investigation and Analysis of Blighting Factors

Investigation and analysis of the Area indicates that the conditions necessary to qualify the Area as a Blighted Area are present. In making this determination of eligibility, it is not required that each and every property or building in the Area be blighted or otherwise qualify. It is the Area as a whole that must be determined to be eligible. However, the factors must be reasonably distributed throughout the Area.

Vacant land and improved land are subject to separate criteria for qualification as a Blighted Area under provisions of the TIF Act. The Act sets forth 13 separate blighting factors that are to be used to determine if an improved area qualifies as a blighted area. If a combination of 5 or more is found to exist, the improved Redevelopment Area can be found to qualify as a "blighted area". For vacant land, the Act provides two sets of blighting factors, and one or more of these factors must be present and distributed throughout the vacant portions of the Area in order for these unimproved portions of the Area to qualify as a blighted area.

The **Eligibility Study**, included as **Attachment One** in the **Appendix**, defines all of the terms and the methodology employed by the Consultant in arriving at the conclusions as to eligibility.

The vacant portion of the Area, which constitutes approximately 80% of the Area, is characterized by the following conditions:

- obsolete platting (76% of blocks);
- diversity of ownership (47% of blocks);
- deterioration of structures in neighboring areas (91% of vacant sub-areas³);
- tax delinquencies (67 PINS concentrated in 12% of sub-areas); and
- unused or illegal disposal sites (55% of vacant sub-areas).

Much of the improved portion of the Area is in need of redevelopment and investment and is characterized by:

- dilapidation (24% of buildings);
- obsolescence (29% of buildings);
- deterioration of buildings and site improvements (60% of structures and 62% of improved parcels);
- presence of structures below minimum code standards (24% of buildings);
- excessive vacancies (10% of buildings);
- inadequate utilities (73% of blocks);
- excessive land coverage or overcrowding of structures (38% of sub-areas);
- deleterious land use and layout (73% of blocks); and
- lack of community planning (82% of blocks).

Sub-par EAV growth applies to both vacant and improved portions of the Area.

Table 5-3, Blighting Factors Matrix For Improved Land and **Table 5-4, Blighting Factors Matrix For Vacant Land**, provided on the following pages, tabulates the conditions of the buildings and vacant land in Area. These tables indicate that the factors required to qualify the Area as a Blighted Area are present. A map of blighting conditions, **Exhibit D, Existing Conditions Map**, is included in **Attachment Two** of the Appendix. This existing conditions map illustrates the distributed of blighting factors throughout the Area.

³ Sub-Areas are labeled on Exhibit B, Sub-Area Key Map, contained in the Plan Appendix as Attachment Two

Table 5-3

Blighting Factors Matrix for Improved Land

Calumet River Redevelopment Project Area

City of Chicago, Illinois

Sub-area number	1	6	7	8	12	14	15	17	19	21	25	27	29	30	31	32	34	35	37	39	40	45	49	51	55	56	58	59	61	TOTAL	
No. of improved sub-areas	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	29	47%
Total sub-areas																														62	
No. of buildings	1	2	1	2	1	1	1	1	1	1	1	3	1	1		1	1	1	2	2	1	1	5	4	1	1	1	1	2	42	
No. of buildings 35 years or older	1	1	1	2	1	1	1	1			1	2	1	1			1	1	2	2	1	1				1	1	1	1	25	60%
Housing Units					1	1																1								3	
Occupied Housing Units					1	1																1								3	100%
Improved or partially improved blocks																														11	61%
Blocks																														18	100%
IMPROVED LAND FACTORS:																															
No. of deteriorated buildings		1	1	2	1	1	1	1	1	1	1	2		1			1	1	2	2	1	1				1	1	1	1	25	60%
No. of subareas with site improvements that are deteriorated		1	1	1	1	1	1	1			1	1	1				1	1	1				1	1		1	1	1	1	18	62%
No. of dilapidated buildings		1		2			1	1									1	1	2		1									10	24%
No. of obsolete buildings				2	1	1			1		1						1	1	2		1	1								12	29%
No. of structures below minimum code		1		2	1	1	1										1		2		1									10	24%
No. of buildings lacking ventilation, light or sanitation facilities																														0	0%
No. of buildings with illegal uses																														0	0%
No. of buildings with excessive vacancies		1		1															2											4	10%
No. of sub-areas with excessive land coverage or overcrowding of structures	1	1	1								1		1				1	1				1				1		1	1	11	38%
Inadequate utilities (by block)																														8	73%
Deleterious land use or layout (by block)																														8	73%
Environmental Clean-up																														0	0%
Lack of community planning (by block)																														9	82%
Declining or Sub-par EAV Growth (Area-wide)																														Yes	

Table 5-4
Blighting Factors Matrix for Vacant Land
 Calumet River Redevelopment Project Area
 City of Chicago, Illinois

Sub-area number	2	3	4	5	9	10	11	13	16	18	20	22	23	24	26A	26B	28	33	36	38	41	42	43	44	46	47	48	50	52	53	54	57	60	TOTAL		
No. of vacant sub-areas	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	33	53%
Total sub-areas																																			62	
Blocks																																			18	
Vacant or partially vacant blocks																																			17	94%
VACANT LAND FACTORS (2 or More):																																				
Obsolete Platting (by block)																																			13	76%
Diversity of Ownership (by block)																																			8	47%
Tax Delinquencies										1				1	1	1																			4	12%
Deterioration of Struct. Or Site																																				
Improvements in Neighboring Areas	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1									30	91%
Environmental Clean-up																																			0	0%
Declining or Sub-par EAV Growth																																				Yes
VACANT LAND FACTORS (1 or More):																																				
Unused Quarry, Mines, Rail, etc.																																			0	0%
Blighted Before Vacant																																			0	0%
Flooding																																			0	0%
Unused or Illegal Disposal Site	1	1	1	1	1	1		1	1			1	1	1	1					1	1	1	1	1	1									18	55%	

¹ Not determined

D. Summary of Findings

It was determined in the investigation and analysis of blighting factors that the Area qualifies as a blighted area. The Plan includes measures designed to reduce or eliminate the conditions that cause the Area to qualify as a redevelopment area and a strategy for inducing investment in the redevelopment project area.

The factors noted in the **Eligibility Study** and summarized above are reasonably distributed throughout the Area. Deteriorated improvements, vacant structures, obsolete buildings, the lack of property maintenance, sub-par EAV growth and documented illegal dumping on vacant land all serve as evidence that the Area on the whole has not been subject to growth and development through investment by private enterprise and is not reasonably anticipated to be developed without the adoption of this Plan.

This conclusion is reached in full recognition that one boat storage building has been completed within the last year and other incremental improvements to the Area have been achieved. It is the opinion of the Consultant that this single project is not sufficient to conclude that the Area, on the whole, has been subject to growth and investment by private enterprise. Furthermore, the extent of blighting factors in this Area (including deleterious land uses and proximity of vacant land to deteriorated improvements) is such that continued redevelopment is not reasonably anticipated without implementation of this Plan. See further discussion of the lack of growth and investment on pages 2-5 and 2-6 of the Eligibility Study.

The summary tables contained on the following pages highlight the factors found to exist in the Area that cause the Area to qualify. The summaries provided in this section were based upon data assembled by the Consultant. The conclusions presented in this report are those of the Consultant (see full text of the **Eligibility Study** in **Attachment One** of the **Appendix**).

The conclusion of the Consultant is that the number, degree, and distribution of eligibility factors as documented in this report warrant the designation of the improved portion of the Area as a blighted area as set forth in the Act. Although it may be concluded that the mere presence of the stated eligibility factors noted herein may be sufficient to make a finding of qualification as a blighting area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighted area eligibility factors throughout the Area must be reasonable so that a sound area is not arbitrarily qualified simply because of proximity to an area that exhibits blighting factors.

Therefore, it is the conclusion of the Consultant that the improved and vacant portions of the Area qualify as a blighted area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a blighting area for the improved and vacant portions of the Area, and making this report a part of the public record.

1. Blighting Factors for Improved Areas

FACTOR		
1	Dilapidation	10 of 42 buildings (24%)
2	Obsolescence	12 of 42 buildings (29%)
3	Deterioration	25 of 42 buildings (60%) 18 of 29 improved sites (62%)
4	Illegal use of individual structures	Not Present
5	Presence of structures below minimum code standards	10 of 42 buildings (24%)
6	Excessive vacancies	4 of 42 buildings (10%)
7	Lack of ventilation, light or sanitary facilities	Not Present
8	Inadequate utilities	8 of 11 blocks (61%)
9	Excessive land coverage	11 of 29 sub-areas (38%)
10	Deleterious land use or layout	8 of 11 sub-areas (73%)
11	Environmental clean-up	Not Present
12	Lack of Community Planning	9 of 11 blocks (82%)
13	Declining or sub-par E.A.V. growth	YES

Bold typeface indicates the factor is found to be present to a major extent.

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2. Blighting Factors for Vacant Areas

	FACTOR	EXISTING IN VACANT/ UNIMPROVED PORTION OF AREA
1	<p>Two or more of the following sub-factors must be present:</p> <p>a. Obsolete platting (Present on 76% of Vacant Sub-areas)</p> <p>b. Diversity of ownership (Present on 47% of Blocks with Vacant Parcels)</p> <p>c. Tax and assessment delinquencies (12% of Vacant Sub-areas)</p> <p>d. Deterioration of Structures in Neighboring Areas (Present on 91% of Vacant Sub-areas)</p> <p>e. Environmental Remediation (Not Present)</p> <p>f. Declining or Sub-Par E.A.V. Growth (Present for Total Area)</p> <p>or</p>	YES
2	<p>Area immediately prior to becoming vacant qualified as a blighted improved area;</p> <p>Or</p>	Not Applicable
3	<p>Area consists of unused quarry or quarries;</p> <p>Or</p>	Not Applicable
4	<p>Area consists of unused rail yards, rail tracks or rail-road right-of-way;</p> <p>Or</p>	Not Applicable
5	<p>Area prior to designation is subject to chronic flooding or contributes to downstream flooding;</p> <p>Or</p>	Not Applicable
6	<p>Area consists of unused or illegal disposal site containing earth, stone, building debris or similar materials;</p> <p>Or</p>	YES
7	<p>Area is not less than 50 nor more than 100 acres and 75% is vacant;</p>	Not Applicable

Bold typeface indicates the factor is found to be present to a major extent.

**SECTION VI - REDEVELOPMENT PLAN
AND PROJECT****A. Introduction**

This section presents the Plan and Project for the Area. Pursuant to the Act, when the finding is made that an area qualifies as a conservation, blighted, combination of conservation and blighted areas, or industrial park conservation area, a redevelopment plan must be prepared. A **redevelopment plan** is defined in the Act at 65 ILCS 5/11-74.4-3 (n) as:

the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area", and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area.

B. Generalized Land Use Plan

In conjunction with TIF eligibility analysis and planning, the City engaged the Consultant team to prepare a master plan for the portion of the Area east of the river. This planning work included real estate market analysis, which evaluated the feasibility of various land use alternatives. Based on the conclusions of this analysis, alternative concept development plans for the Area were prepared by the Consultant and reviewed by City staff. The master plan presented three alternative land use and layout concepts, all showing the same basic land uses. The **Generalized Land Use Plan** included as **Exhibit G in Attachment Two of the Appendix** is a generalized version of these concepts for the east portion of the Area.

The generalized land use plan for the Area will be in effect upon adoption of this Plan. This land use plan is a generalized plan in that it states land use categories and land uses that apply to portions of the Area. Existing land uses that are not consistent with these categories may be permitted to remain. However, TIF assistance will only be provided for those properties in conformity with this generalized land use plan.

East of the river, the Area is anticipated to be redeveloped as a mix of commercial development anchored by marina operations and park/recreation uses. Sites that would be suitable for a range of commercial land uses that would be complementary to the main marina operation are included in the Generalized Land Use Plan. The various land uses are arranged to capitalize on the unique geography of the area, being especially cognizant of the ability of the riverfront to serve as an attraction for visitors to the Area. The intent of this redevelopment program is also to promote strengthening, enhancing and repositioning the existing marina operation through providing opportunities for financial assistance for expansion and growth where appropriate.

West of the river, continued industrial use of parcels along 130th Street is anticipated, and private reinvestment in these properties should be encouraged. Reuse of the landfill parcels for recreational purposes is proposed for much of the unimproved portion of the Area west of the river. The property owned by the Metropolitan Water Reclamation District of Greater Chicago (MWRD) in the south part of this portion of the Area is intended to be held for municipal purposes.

The generalized land use plan is focused on maintaining and enhancing sound and viable existing businesses and promoting new commercial and recreational development at selected locations. The generalized land use plan designates six (6) basic land use categories within the Area as follows:

- i. Marina Operations
- ii. Commercial (Retail/Service)
- iii. Park/Recreation
- iv. Industrial
- v. Recreation (Landfill Reuse)
- vi. Municipal

These categories and their location on **Exhibit G, Generalized Land Use Plan** included in **Attachment Two** of the **Appendix** were developed from several factors: existing land use, the goals and actions developed for this plan, and assessment of the real estate market for alternative land uses. It is explicitly recognized that rezoning will be required as part of the implementation of this plan. Each of the land use categories are described below to expand on the use recommendations depicted in **Exhibit G**.

Marina Operations

As depicted in the Generalized Land Use Plan, marina-oriented uses are designated for the central and southern portions of the Area. Marina Operations uses may include:

- Storage, preparation and launch of marine craft, which will include indoor, multi-level boat storage;
- Boat repair, maintenance and other services related to recreational boating;
- Retail sales of marine craft and related equipment, which may include indoor or outdoor display;
- Retail sales of goods and provision of services oriented to marina users and visitors; and
- Restaurants, bars, entertainment and other hospitality services that will accommodate marina users and promote the marina complex as a unique destination for visitors.

The Marina Operations use areas take advantage of the riverfront and expand the existing area of marina operations. These areas will include acces-

sory parking lots, which are to be designed with landscaping, storm water drainage and pedestrian circulation in mind.

It is envisioned that portions of existing public right-of-way in the Area will become unnecessary and would be incorporated into developable parcels. Vehicular circulation patterns for the marina-oriented commercial use portion of the Area should accommodate turning radii necessary for trucks towing large marine craft.

Commercial (Retail/Service)

Development opportunities in the Commercial use area could include convenience-oriented retail, fuel sales and quick-service food, all of which would be beneficial to marina users and the general public travelling by the area along Torrence Avenue.

Beyond convenience retail, there is an opportunity to create destination quality retail and services, including sales and services related to outdoor recreation or other specialty shops, capitalizing on the recreation land uses to the north, including the proposed Ford Calumet Environmental Center. Further, the unique riverfront quality of the Area and the prospect of Area-wide redevelopment including an improved marina complex may present an opportunity for development of a wider range of commercial uses in later phases of the Area's redevelopment.

All development in the Commercial use area, including convenience oriented uses, should be constructed to reflect coordinated architectural themes that will visually connect general retail or service facilities to future marina buildings. Redevelopment of this portion of the Area will also likely require assembly of parcels to create sites of adequate size to accommodate contemporary commercial buildings and parking lots of an adequate size and configuration.

Park/Recreation

East of the river, most of the Area north of 135th Street is unimproved, providing the potential for open area to be used for either public or private recreational use. The riverfront location also provides a unique backdrop for an area that would be ideal for outdoor gatherings. The future location of the Ford Calumet Environmental Center on the Hegewisch Marsh property just north of this section of the Area would also create an opportunity for an environmentally themed outdoor recreation space.

Though labeled "Park/Recreation", a range of uses, either publicly or privately owned and operated, would be appropriate for this location. Such uses could be directly related to the riverfront (access to the water by boaters or a dedicated canoe/kayak launch) or simply make use of the availability of open space in proximity to the waterfront (e.g. outdoor recreation op-

erated in conjunction with the marina or RV camping). Utility extension costs could also be minimized by providing a relatively low-impact use in this corner of the Area. Commercial uses, including buildings and accessory parking, related to outdoor recreation could also be incorporated into this area.

Industrial

Continued industrial use of land at the north edge of the Area (west of the river), along 130th Street, is proposed. Reinvestment in these properties could include construction of new buildings, replacement of existing buildings, improvements of existing storage lots. All of these activities are intended to result in expansion of job opportunities and other economic benefits to the community.

The land to the south designated for industrial use is the existing improved Waste Management property. The buildings and related improvements on this property represent a significant private investment, and whether by the current owner or a future enterprise, the plan anticipates that continued industrial use of these improvements will continue. The industrial land use recommendation for these parcels owned by Waste Management also recognizes that some degree of landfill or waste transfer operations, both within the Area and on adjacent land to the south (in the Calumet City corporate limits and outside City of Chicago jurisdiction) will continue into the foreseeable future.

Recreation (Landfill Reuse)

The portion of landfill property north of 134th Street is now inactive. As such, the property must be monitored and maintained. However, there are many options to enhance inactive portions of the landfill in a way that will improve the prospects for redevelopment of surrounding properties, enhance what is otherwise a detrimental aspect of the Area, and fulfill objectives of the Calumet Area Land Use Plan. Whether active or passive in nature, public or commercial, recreational uses are generally ideal for reuse of closed landfills, a concept that has been successfully implemented at many former landfill sites around the country. Possibilities could include bike trails, sled runs, a bicycle racing venue, or enhancement as a more natural setting with walking paths and prairie grass plantings or wildlife interpretation.

Municipal

The MWRD land is situated south of 134th between the active landfill property and the river. The property has been used for storage of excavated materials for the MWRD's Deep Tunnel project. The land designated for "Municipal" use is proposed to be held for continued local government use.

A final category, "Lock and Dam", is shown on the map to recognize that the land adjacent to the O'Brien Lock and Dam will likely continue to be restricted for security purpose. Substantial change to this land is not proposed.

C. Redevelopment Projects

To achieve the objectives proposed in the Plan, a number of projects and activities will need to be undertaken. An essential element of the Plan is a combination of private projects, as well as public projects and infrastructure improvements. All redevelopment project activities will be subject to the provisions of the City's ordinances and applicable codes, as may be in existence and may be amended from time-to-time. Projects and activities necessary to implement the Plan may include the following:

1. Private Redevelopment Projects:

Private redevelopment projects are anticipated to include rehabilitation of existing private buildings, demolition of improvements followed by construction of new private buildings and other improvements at various locations as permitted by the Plan.

2. Public Redevelopment Projects:

Public projects and support activities will be used to induce and complement private investment. These may include, but are not limited to: street improvements, building rehabilitation; land assembly and site preparation; transportation improvement programs and facilities; public utilities (water, sanitary and storm sewer facilities); environmental clean-up; park improvements; landscaping; traffic signalization; promotional and improvement programs; signage and lighting, as well as other programs as may be provided by the City and permitted by the Act.

The estimated costs associated with the eligible public redevelopment projects are presented in **Table 6-1, Estimated Redevelopment Project Costs** shown on the following page. These projects are necessary to address the needs of the Area identified in this Plan. This estimate includes reasonable or necessary costs incurred or estimated to be incurred in the implementation of this Plan. A description of eligible redevelopment project costs pursuant to the Act is contained in **Section VII** of this Plan.

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TABLE 6-1
Estimated Redevelopment Project Costs

<u>Eligible Expense</u>	<u>Estimated Costs</u>
1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$ 350,000
2. Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$ 7,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$ 450,000
4. Public Works & Improvements, including streets and utilities, parks and open space, public facilities ¹	\$ 11,550,000
5. Relocation Costs	\$ 3,000,000
6. Job Training, Retraining, Welfare-to-Work	\$ 100,000
7. Day Care Services	\$ 50,000
8. Interest Subsidy	\$ 2,500,000
Total Redevelopment Costs^{2,3}	\$ 25,000,000⁴

¹This category includes 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 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 this Plan.

²Total 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.

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

⁴Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

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

Total Redevelopment Costs, as presented in **Table 6-1**, are limited by the amount of property tax increment projected to be generated by the proposed TIF Area. TIF revenue projections for the Area have been prepared based on long-term development assumptions for the Area. It is important to note that the total cost to fully address the Area's extensive redevelopment needs has been projected to exceed \$40 million, including more than \$20 million for public works and improvements.

The City proposes to achieve its redevelopment goals and objectives for the Area through the use of public financing techniques including, but not limited to, tax increment financing. The City also reserves the right to undertake additional activities and improvements authorized under the Act.

3. Property Assembly:

Property acquisition and land assembly by the private sector in accordance with this Plan will be encouraged by the City. Additionally, the City may encourage the preservation of buildings that are structurally sound and compatible with this Plan for redevelopment of the Area.

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

Exhibit H-1 and H-2, Land Acquisition Maps in Attachment Two of the Appendix, identifies the parcels currently proposed to be acquired for development or for clearance and redevelopment. **Exhibit H-3, Land Acquisition List in Attachment Two of the Appendix** lists all such parcels.

For properties shown on **Exhibits H-1 or H-2 and Exhibit H-3**: (1) the acquisition of occupied properties by the City shall commence within four years from the date of the publication of the ordinance approving the Plan; (2) the acquisition of vacant properties by the City shall commence within 10 years from the date of publication of the ordinance authorizing the acquisition. In either case, acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four-year period, the City may acquire such property pursuant to this Plan under the Act according to its customary procedures as described in the following paragraph.

In connection with the City exercising its power to acquire real property not currently identified on **Exhibit H-1 or H-2 and Exhibit H-3**, including the

exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or successor commission) and authorized by the City Council of the City of Chicago (the "City Council"). Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

The City may demolish improvements, remove and grade soils, and prepare sites with soils and materials suitable for new construction. Acquisition, clearance, and demolition will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tax-producing redevelopment closely follows site clearance.

The City may: (a) acquire any historic structure (whether a designated City or State landmark on or eligible for nomination to the National Register of Historic Places); (b) demolish any non-historic feature of such structure; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property. However, no historic buildings were identified within the Area at this time.

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

In the event that the implementation of the Plan results in the removal of residential housing units in the 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 Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings as set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 64/3. 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 50%, but less than 80%, of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development ("HUD") 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 50% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937; 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 30 percent of the maximum allowable income for such households, as applicable.

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan. Because only three (3) inhabited residential units are located in the Area, the municipality is not required to perform a housing impact study as part of this redevelopment project plan.

D. Assessment of Financial Impact on Taxing Districts

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

The following taxing districts presently levy taxes against all properties located within the 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 wastewater 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. There are no school facilities located within the boundaries of the Area.

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. There are no Park District facilities located in the Area.

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.

City of Chicago Library Fund. There are no public libraries located within the boundaries of the Area.

The City finds that the financial impact of the Plan and the Area on the taxing districts listed above is not significant. The replacement of vacant and underutilized properties with new development may cause some increased demand for services and/or capital improvements provided by the Metropolitan Water Reclamation District (MWRD), and fire and police protection, as well as sanitary collection, recycling, etc. by the City. It is expected that any increase in demand for sanitary and storm sewage facilities can be adequately handled by existing treatment facilities of the MWRD. Likewise, facilities of the City of Chicago are adequate to handle any increased demands that may occur.

The major goals of this Plan are identified in subsection **Section 4.A** of this Plan. Implementation of the actions set out herein to advance these goals will not result in a need for new facilities or expanded services from area taxing bodies given the size of the Area and the scale of redevelopment scenarios described by this Plan. In addition, the costs presented in **Table 6-1**, include costs for capital improvements associated with taxing district facilities located within the Area.

The Area represents a very small portion (0.017%) of the total tax base of the City. This Plan concludes that comprehensive redevelopment of the Area is not reasonably expected without adoption of tax increment financing. The taxing bodies will benefit from a program designed to stabilize the tax base in the Area and attract new growth and development in the future.

It is also expected that benefits from new public and private investment in the Area will result in spillover of new development and investment in property, and therefore increased property values in adjoining neighborhoods of the community. These increased values will generate additional tax revenue for the City and other local taxing bodies from investment outside its borders.

The City intends to monitor development in the Area and increased demand for services discovered through this process or brought to the City's attention will be addressed at that time.

E. Prior Planning Efforts

As described above, the planning process for the Calumet River TIF has been influenced by the goals and recommendations formulated as part of previous collaborative planning efforts for the wider area surrounding the Calumet Lake and Calumet River. These prior efforts involved area residents, elected officials, businesses, and neighborhood groups. Meetings held in the Area have elicited comments and input from those residing in or doing business in the Area.

These past efforts related to the wider Calumet Lake and Calumet River area recognize the need for

- environmental remediation;
- preservation and enhancement of natural areas;
- appropriate design in light of the unique environmental conditions and infrastructure of the region; and
- economic revitalization in an area expected to remain primarily industrial.

**SECTION VII - STATUTORY COMPLIANCE AND
IMPLEMENTATION STRATEGY*****A. Implementation Strategy***

The development and follow-through of an implementation strategy is an essential element in achieving the success of this Plan. In order to maximize program efficiency and to take advantage of current developer interest in the Area, and with full consideration of available funds, a phased implementation strategy will be employed.

The City may enter into agreements with public entities or private developers, where deemed appropriate by the City, to facilitate public or private projects. The City may also contract with others to accomplish certain public projects and activities as contained in this Plan.

Costs that may be incurred by the City in implementing this Plan may include, without limitation, project costs and expenses that may be eligible under the Act, as amended from time to time, including those costs that are necessary and related or incidental to those listed below as currently permitted by the Act.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. A list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan were previously provided in **Section 6, Table 6-1, Estimated Redevelopment Project Costs**.

1. Eligible Redevelopment Costs

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

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Plan, including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning, or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) Costs of marketing sites within the Area to prospective businesses, developers, and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements, except that, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either
 - (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or
 - (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- f) Costs of job training and retraining projects, including the costs of "welfare to work" programs implemented by businesses located within the Area;
- g) Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months following completion and including reasonable reserves related thereto;
- h) To the extent the City, by written agreement, accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred (consistent with statutory requirements) within the taxing district in furtherance of the objectives of the Plan and Project;
- i) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is re-

ceived as a result of the assisted housing units and shall be calculated as provided under paragraph (4) of subsection (q) of Section 11-74.4-3 of the Act;

- j) Relocation costs, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
- k) Payments in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to the Public Community College Act 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1 and by school districts of costs pursuant to 105 ILCS 5/10-22.20a and 5/10-23.3a;
- m) Interest costs incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project provided that:
 - (i) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - (ii) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - (iii) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - (iv) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total: (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and

- (v) the 30% limitation in (ii) and (iv) above may be increased to up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;
- n) Up to 50% of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;
- o) The cost of daycare 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. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;
- p) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project costs;
- q) None of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the Area while terminating operations at another Illinois location within 10 miles of the Area but outside the boundaries of the City;
- r) No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, unless no prudent and feasible alternative exists;

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

In the event the Act is amended after the date of approval of this Plan by the City Council to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the 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 **Table 6-1** or otherwise adjust the line items in **Table 6-1** without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Plan.

B. Most Recent Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Area. The 2007 EAV of all taxable parcels in the Area is estimated at \$12,845,787. The 2007 EAV amount by PIN is listed in **2007 Estimated EAV by Tax Parcel** included as **Attachment Four** in the **Appendix**. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Area will be calculated by Cook County. If the 2008 EAV (for taxes paid in calendar year 2009) shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2007 EAV with the 2008 EAV.

C. Redevelopment Valuation

Contingent on the adoption of this Plan, it is anticipated that several major private developments and/or improvements may occur within the Area.

The private investment and anticipated growth that will result from redevelopment and renovation activity in this Area is expected to increase the equalized assessed valuation by approximately \$25 million to \$30 million over the 23-year period in which the Plan is in place. This is based, in part, upon an assumption that much of the undeveloped land east of the river will be built with new development and moderate levels of reinvestment west of the river. This new development activity will stabilize values in the remainder of the Area and further stimulate redevelopment and reinvestment in the Area.

D. Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

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 revenue is received. The Area is presently contiguous to the Lake Calumet Industrial Corridor TIF Redevelopment Project Area.

The Area is currently, and 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 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 Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The Area may become contiguous to, or be separated only by a public-right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1, 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 Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Area to pay eligible Redevelopment Project Costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Area and such areas. The amount of revenue from the Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in **Table 6-1** of this Plan.

E. Nature and Term of Obligation and Completion of the Redevelopment Plan

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

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

year in which the ordinance approving the Area is adopted (i.e., assuming City Council approval of the Area and Plan in 2010, by December 31, 2034). Also the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

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

F. Commitment to Fair Employment Practices and Affirmative Action Plan

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

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. Redevelopers will meet City of Chicago standards for participation of 24 percent Minority Business Enterprises and 4 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above, to the extent permitted by law. In order to implement these principles, the City will 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 will be required to agree to the principles set forth in this section.

G. Amending the Redevelopment Plan

This Plan may be amended in accordance with the provisions of the Act.

H. Conformity of the Plan for the Area to Land Uses Approved by the Planning Commission of the City

This Plan and the Project described herein include the generalized land uses set forth on the Generalized Land Use Plan, as approved by the Chicago Plan Commission prior to the adoption of the Plan by the City of Chicago.

I. City Policies

1. 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.
2. The City requires that developers who receive TIF assistance for market rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Community Development (or any successor agency). Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income.
3. The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").
4. The City will pursue its overall goal of employment of residents within and surrounding the Area in jobs in the Area and in adjacent redevelopment project areas. In this regard, the following objectives are established to meet the goals of the Plan and Project:
 - i. Establish job readiness and job training programs to provide residents within and surrounding the Area with the skills necessary to secure entry level and permanent jobs in the Area and in adjoining Areas.
 - ii. Secure commitments from employers in the Area and adjacent Areas to interview graduates of the Area's job readiness and job training programs.

The above includes taking appropriate actions to work with Area employers, local community organizations, and residents to provide job readiness and job training programs that meet employers hiring needs.

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March 10, 2010

City Council approves ordinances supporting homeownership, residential and commercial development

The Chicago city Council today approved seven ordinances supporting homeownership, and residential and commercial development that will bring economic opportunities and commercial revitalization to the City's neighborhoods.

Molly Sullivan (312) 744-2976

"With these proposals we are working to improve the quality of life for residents by bringing more residential and commercial development into our neighborhoods," Daley said. "We will continue creating programs that help industry grow, bring more jobs to our city and improve the local economy."

Mortgage Credit Certificate Program

The first ordinance makes \$100 million available to help qualified homebuyers purchase their first home and save money on their federal income taxes.

The ordinance authorizes the continuation of the existing program, known as TaxSmart. TaxSmart issues mortgage credit certificates that allow homebuyers to claim up to 20 percent of the annual interest paid on their mortgages as a federal income tax credit. A tax credit entitles a taxpayer to subtract the amount of the credit from his or her federal income tax due, allowing the taxpayer to receive a dollar for dollar savings.

Applicants must purchase the home in the City of Chicago and be first time homebuyers (someone who hasn't owned a home in the last three years as a primary residence). If a home is purchased in a target area, the applicant does not need to be a first time homebuyer. In addition, the home purchased must be the applicant's primary or year round residence.

The City will administer the program through a network of local mortgage lenders to help make homeownership more affordable.

Approximately 1,000 households are expected to be helped with the new funding. TaxSmart can be used by eligible homebuyers citywide to purchase new or existing 1-4 unit properties, which includes single-family homes, condominiums or townhouses, on a first-come, first-served basis.

Mercy Preservation Housing

The next ordinance authorizes the issuance of bonds, a loan and TIF agreement and fee waivers for the renovation of two affordable rental buildings in the Uptown community.

Mercy Housing Lakefront plans to preserve and provide permanent affordable rental housing by transforming 300 older, lower income units into more modern and energy efficient housing options.

The proposed \$65.8 million rehabilitation will include the renovation of the three-story Harold Washington Apartments, located at 4946 N. Sheridan Rd., and will keep 69 units of permanent supportive housing in the community. Upgrades will include installation of an elevator, new internal staircases, a sprinkler system, new windows, new kitchens and all units will have private baths.

The second building at 850 W. Eastwood Ave. will be acquired and rehabilitated by the developer, keeping 231 units of affordable rental housing in the community. Renovations to the 16-story building will include new insulation, carpeting and kitchens.

The City will provide \$33 million in tax-exempt bonds, \$7.3 million in loans and \$3 million in TIF assistance towards the project.

Asphalt Operating Services of Chicago

Another ordinance authorizes the intent to issue up to \$45 million in Recovery Zone Facility Bonds for the construction of a liquid asphalt facility at 2835 E. 106th St. in the 10th Ward.

Asphalt Operating Services of Chicago, LLC plans to construct a storage facility on 50 acres of property in the South Deering community that will also blend, and dispense liquid asphalt that is used to pave roadways.

The \$62 million liquid asphalt operation includes a terminal with dock space along the Calumet River for supply barges to deliver shipments of liquid asphalt, as well as space to receive and transfer shipments by rail and truck.

The asphalt will be blended into different grades and shipped to nationwide customers.

After completion this development will create up to 50 union jobs with wages that pay over \$20 per hour. The new facility will also return land that has been vacant for over 30 years into productive use.

Calumet River TIF/Ewing Avenue TIF Designations

Two ordinances were also approved that authorize the creation of two Tax Increment Financing (TIF) districts in the 10th Ward in order to encourage development and further investment in the Hegewisch and East side communities.

The Calumet Tax Increment Financing (TIF) Redevelopment Project Area on the City's Southeast Side will provide a way to redevelop and revitalize recreational and commercial investment in the Hegewisch community.

The goal of the redevelopment area is to encourage new uses on vacant portions of the 534-acre site. Goals include enhancing marina operations, upgrading infrastructure and spurring economic growth in the 10th Ward.

The project boundaries include the Bishop Ford Expressway on the west, Torrence Ave. and the Little Calumet River on the east, 130th and 134th Streets on the north and the City limits on the south.

The Ewing Avenue Tax Increment Financing (TIF) Redevelopment Project Area will provide a way to revitalize residential and commercial investment in the Hegewisch and East Side communities.

The project boundaries include Buffalo and Avenue O on the west, 93rd court on the north, Indianapolis Blvd. on the east and 130th St. on the south.

The goal of the redevelopment areas is to stabilize and spur economic growth in areas of the 10th Ward. Creation of the TIFs will help facilitate new commercial and residential development, stabilize the area and encourage the development of vacant parcels.

Hairpin Lofts LLC

Also approved was an ordinance that authorizes the construction of Hairpin Lofts, a \$15.4 million mixed-use development in the City's Avondale community.

Brinshore Development will renovate the six-story building located at 2800-12 N. Milwaukee Ave. and 3416 W. Diversey Ave. into 28 rental lofts and 8,500 square feet of retail space in the 35th Ward.

Originally built as an office and retail building, the flat-iron building at the intersection of Milwaukee, Kimball and Diversey will contain 25 affordable units, including four units for people with disabilities. Three units will have unrestricted rents. Plans at the landmark building also call for the creation of the Logan Square Arts Center on the second floor.

Lester and Rosalie Anixter Center will partner with the developer to provide services to residents with disabilities.

The ordinance authorizes a \$6.6 million private placement loan, \$7.1 million in TIF funds and the sale of one City-owned parcel for \$1.

Oakwood Shores Terrace and Medical Center

The City Council also approved an ordinance that authorizes a redevelopment agreement, \$2.1 million in TIF assistance and the sale of one parcel for the construction of 48 units of new mixed-income rental housing as part of a redevelopment plan for the former Madden Park, Clarence Darrow and Ida B. Wells homes.

The \$23.5 million development located in the City's Oakland community is part of the CHA's Plan for Transformation and will also include commercial space for a community medical center.

Oakwood Shores Terrace will provide 36 affordable and 12 market-rate units in one building with a 14,000 square foot clinic on the first floor. The building will include green design elements.

The development will feature 26 one- and 18 two-bedroom apartments as well as four three-bedroom units designed for larger families.

Oakwood Shores Terrace Phase 2C, to be developed by Oakwood Shores Terrace Associates LP, will be located at 3753-3755 S. Cottage Grove Ave. in the 4th Ward.

The City will invest \$2.1 million in loans; land valued at \$960,000 and \$1.2 million in tax credits, generating \$7.9 million in equity towards the project.

The development will also receive \$1.2 million in tax increment financing and CHA funds of \$3.2 million.