
2000 Annual Report

Near South Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2001

June 30, 2001

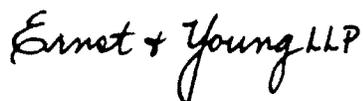
Ms. Alicia Mazur Berg
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the Near South Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City Departments.

Very truly yours,



Ernst & Young LLP

**Near South Redevelopment Project Area
2000 Annual Report**

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**ANNUAL REPORT – NEAR SOUTH REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH
SECTION (d) OF 65 ILCS 5/11-74.4-5.**

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Alicia Mazur Berg
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)

<http://www.cityofchicago.org>

June 30, 2001

The Honorable Daniel Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Dear Comptroller Hynes:

We have compiled the attached information for the Near South Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

Alicia Mazur Berg
Commissioner



**Near South Redevelopment Project Area
2000 Annual Report**

(1) DATE OF DESIGNATION OR TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on November 28, 1990. The Project Area may be terminated no later than November 28, 2013.

**Near South Redevelopment Project Area
2000 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

Please see attached.

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2000 AND 1999

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

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BANSLEY AND KIENER, L. L. P.
CERTIFIED PUBLIC ACCOUNTANTS
125 SOUTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-4496
AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the Near South Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2000, and the related combined statements of revenues, expenditures and changes in fund balance - governmental funds for the years ended December 31, 2000 and 1999. These combined financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these combined financial statements based on our audits. We previously audited and reported upon the balance sheet as of December 31, 1999, totals of which are included for comparative purposes only.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Near South Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2000, and the results of its governmental funds operations and changes in fund balance for the years ended December 31, 2000 and 1999 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule of expenditures by statutory code on page 7, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the combined financial statements of Near South Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 16, 2001

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

COMBINED BALANCE SHEETS
DECEMBER 31, 2000
(With Comparative Totals for 1999)

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total 2000</u>	<u>Total 1999</u>
Cash and investments	\$ 25,233,043	\$ -	\$ 25,233,043	\$ 28,977,247
Property taxes receivable	10,730,974	-	10,730,974	13,158,738
Accrued interest receivable	119,101	-	119,101	115,076
Amount available for debt service	-	9,733,103	9,733,103	8,210,018
Amount to be provided for retirement of general long-term debt	-	35,406,897	35,406,897	39,174,982
Total assets	<u>\$ 36,083,118</u>	<u>\$ 45,140,000</u>	<u>\$ 81,223,118</u>	<u>\$ 89,636,061</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Vouchers payable	\$ 709,741	\$ -	\$ 709,741	\$ 291,916
Due to other City funds	106,797	-	106,797	187,823
Accrued interest payable	278,494	-	278,494	294,321
Deferred revenue	10,145,758	-	10,145,758	12,174,164
Bonds payable (Note 2)	-	45,140,000	45,140,000	47,385,000
Total liabilities	<u>11,240,790</u>	<u>45,140,000</u>	<u>56,380,790</u>	<u>60,333,224</u>
Fund balance				
Reserved for debt service	9,733,103	-	9,733,103	8,210,018
Designated for future redevelopment project costs	15,109,225	-	15,109,225	21,092,819
Total fund balance	<u>24,842,328</u>	<u>-</u>	<u>24,842,328</u>	<u>29,302,837</u>
Total liabilities and fund balance	<u>\$ 36,083,118</u>	<u>\$ 45,140,000</u>	<u>\$ 81,223,118</u>	<u>\$ 89,636,061</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Revenues		
Property tax	\$ 8,809,910	\$ 6,984,676
Interest	1,439,273	1,320,200
	<u>10,249,183</u>	<u>8,304,876</u>
Total revenues		
Expenditures		
Capital projects	12,281,142	7,430,067
Bond issuance costs	-	1,080,053
Debt service		
Principal retirement	2,245,000	2,615,000
Interest	2,238,550	1,671,356
	<u>16,764,692</u>	<u>12,796,476</u>
Total expenditures		
Expenditures over revenues	<u>6,515,509</u>	<u>4,491,600</u>
Other financing sources		
Sale of Land	2,055,000	-
Proceeds of debt, net of bond defeasance and refunding expenses (Note 2)	-	21,866,839
Operating transfers in	-	183,333
	<u>2,055,000</u>	<u>22,050,172</u>
Total other financing sources		
Revenues and other financing sources over (under) expenditures	(4,460,509)	17,558,572
Fund balance, beginning of year	<u>29,302,837</u>	<u>11,744,265</u>
Fund balance, end of year	<u>\$ 24,842,328</u>	<u>\$ 29,302,837</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Description of Project

The Near South Tax Increment Redevelopment Project Area (Project) (formerly known as the Central Station Redevelopment Project) was established in August 1994. The area has been established to finance improvements, leverage private investment, create and retain jobs and to retire the Redevelopment Tax Increment Bonds (Near South Redevelopment Project), Series 1994A in the principal amount of \$23,000,000. Reimbursements, if any, are made to the developer for project costs, as infrastructure improvements are completed and pass City Inspection. Phase I of the project was residential. Subsequent phases will include a combination of residential and commercial development.

Principal and interest on the bonds will be paid from incremental property taxes generated by the redevelopment district.

Basis of Accounting

The Project is accounted for within the capital project, debt service and special revenue funds of the City. The Bonds Payable are recorded in the City's General Long-term Debt Account Group. The report is presented herein on a combined basis.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Fixed assets are not capitalized in the general operating funds but, instead, are charged as current expenditures when purchased. The General Fixed Asset Account Group of the City includes the capital assets, if any, of the Project.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Cash and Investments

The bond proceeds and incremental taxes associated with the Near South Tax Increment Financing District are deposited with the City Treasurer or in a separate trust account. Eligible project expenditures are approved by the Department of Planning and Development in accordance with the project budget and paid from the trust account. Eligible project expenditures may be paid from bond proceeds or incremental taxes in excess of next year's annual debt service, after fully funding of all other funds and accounts.

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

CITY OF CHICAGO, ILLINOIS
NEAR SOUTH REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 2 – Bonds Payable

In March 1999, the City issued \$50,000,000 of Near South Tax Increment Allocation Bonds (the "Bonds"), Series 1999A and B (Taxable) in order to advance refund the Series 1994 bonds and provide monies for project costs. The Bonds are payable serially through November 15, 2013, beginning November 15, 1999. The Bonds have an interest rate of between 4.0 percent to 5.65 percent. Net proceeds of \$32,800,000 were used to finance certain project costs in the Near South Redevelopment Project Area (\$27,300,000) and to fund debt service and related reserve accounts (\$5,500,000). The refunding decreased the City's total debt service payments by \$9,500,000 and provided an economic gain of \$2,300,000.

The aggregate maturities of the bonds (principal portion only) are as follows:

	<u>Series 1999A</u>	<u>Series 1999B</u>	<u>Total</u>
2001	\$ -	\$2,365,000	\$ 2,365,000
2002	2,225,000	275,000	2,500,000
2003	2,605,000	-	2,605,000
2004	2,720,000	-	2,720,000
2005	2,830,000	-	2,830,000
Thereafter	<u>32,120,000</u>	<u>-</u>	<u>32,120,000</u>
	<u>\$42,500,000</u>	<u>\$2,640,000</u>	<u>\$45,140,000</u>

Note 3 – Operating Transfers In

During 1999, in accordance with state statutes, the Project received \$183,333 from the contiguous Michigan-Cermak Redevelopment Project for job-training to operate the Cermak-Gateway Transitional Job Center.

Note 4 – Commitments

As of December 31, 2000 the Project has entered into contracts for approximately \$158,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>2000</u>	<u>1999</u>
Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 348,155	\$ 453,622
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	8,164,262	-
Cost of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings and fixtures	93,372	-
Costs of the construction of public works or improvements	3,486,474	6,976,445
Costs of job training and retraining projects	179,054	-
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	4,493,150	5,366,409
Costs of relocation to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law	225	-
	<u>\$ 16,764,692</u>	<u>\$ 12,796,476</u>

**Near South Redevelopment Project Area
2000 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Rm. 1149
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602
Attn: Kay Kosmal

Dean L. Viverito, Comptroller
Forest Preserve District of Cook County
536 North Harlem Avenue
River Forest, Illinois 60305

Michael Koldyke, Chairman
Chicago School Finance Authority
135 S. LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent & CEO
Chicago Park District
541 N. Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Paul Vallas, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime, Manager

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the "Act") with regard to the Near South Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

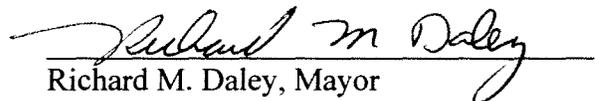
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2000, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2001.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Near South Redevelopment Project Area
2000 Annual Report**

(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)

Please see attached.



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

<http://www.ci.chi.il.us>

June 30, 2001

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Carol Reckamp, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Rm. 1149
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602
Attn: Kay Kosmal

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Forest Preserve District of Cook County
536 North Harlem Avenue
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541 N. Fairbanks Court, 7th Floor
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of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. K. Lime, Manager

Re: Near South
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.



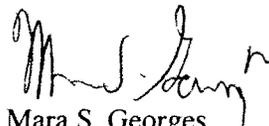
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

Near South Redevelopment Project Area 2000 Annual Report

(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2000	
	2000
Revenues	
Property tax	\$ 8,809,910
Sales tax	-
Interest	1,439,273
Total revenues	10,249,183
Expenditures	
Costs of studies, admin., and professional services. (q)(1)	348,155
Marketing Costs. (q)(1.6)	-
Property assembly, demolition, site preparation and environmental site improvement costs. (q)(2)	8,164,262
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings. (q)(3)	93,372
Costs of construction of public works and improvements. (q)(4)	3,486,474
Cost of job training and retraining. (q)(5)	179,054
Financing costs. (q)(6)	4,493,150
Approved capital costs of overlapping taxing districts. (q)(7)	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects (q)(7.5)	-
Relocation costs. (q)(8)	225
Payments in lieu of taxes. (q)(9)	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. (q)(10)	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. (q)(11)(A-E)	-
Costs of construction of new housing units for low income and very low income households. (q)(11)(F)	-
Cost of day care services and operational costs of day care centers. (q)(11.5)	-
Total expenditures	16,764,692
Expenditures over revenues	6,515,509
Other financing sources	
Sale of land	2,055,000
Expenditures over revenues and other financing sources	4,460,509
Fund balance, beginning of year	29,302,837
Fund balance, end of year	\$ 24,842,328
Fund balance	
Reserved for debt service	\$ 9,733,103
Reserved for encumbrances	-
Designated for future redevelopment project costs	15,109,225
Total fund balance	<u>\$ 24,842,328</u>

Near South Redevelopment Project Area 2000 Annual Report

(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5) cont.

Below is listed all vendors, including other municipal funds, that were paid in excess of \$5,000 during the current reporting year.

Name	Service	Amount
Trkla Pettigrew Allen & Payne	Consultant	\$60,632
TS Info Systems	Consultant	\$5,115
Goodman Williams	Consultant	\$41,815
Earl L. Neal & Associates, LLC	Legal	\$194,379
Integra Realty	Consultant	\$7,022
Baird Land Surveyors	Consultant	\$16,183
Pacific Construction	Construction	\$93,372
Corus Bank as Successor to Commercial Bank as Trustee for Trust #1245	Acquisition	\$2,077,024
John I. Seo, Nam O. Seo, Gerry Lee, The Chicago Trust Company	Acquisition	\$3,585,578
First National Bank of Wheaton Trust #1117, Karp-Michigan and Unknown Owners	Acquisition	\$2,500,000
Chicago Department of Transportation	Public Improvement	\$280,074
Consoer Townsend	Consultant	\$460,880
Public Building Commission	Public Improvement	\$2,417,972
Muller & Muller	Consultant	\$311,087
Harry O. Hefter	Consultant	\$6,301
Chapman & Cutler	Legal	\$6,000
Cole Taylor Bank	Financial	\$4,483,550
Lakefront SRO	Job Training	\$179,054

**Near South Redevelopment Project Area
2000 Annual Report**

(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

TABLE 6
DESCRIPTION OF PROPERTY PURCHASED BY THE CITY WITHIN THE TIF AREA

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
1146-54 S. Michigan Ave. ¹	n/a	\$3,585,576	John & Nam Seo, Garry Lee, and Chicago Trust Company
836 S. Michigan Ave. ¹	n/a	\$2,500,000	First National Bank of Wheaton Trust # 1117, Karp-Michigan and Unknown Owers
600 S. Wabash Ave. ¹	n/a	\$2,077,024	Corus Bank as Successor Trustee to Commercial Bank as Trustee for #1245

¹ An acquisition by condemnation is considered effective upon the date just compensation is deposited with the County Treasurer.

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- (7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)**
- (A)** Projects implemented in the preceding fiscal year.
 - (B)** A description of the redevelopment activities undertaken.
 - (C)** Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
 - (D)** Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
 - (E)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
 - (F)** Joint Review Board reports submitted to the City.
 - (G)** Project-by-project review of public and private investment undertaken from 11/1/99 to 12/31/00, and of such investments expected to be undertaken in Year 2001; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/00, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON THE FOLLOWING PAGES.

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(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)

TABLE 7(A)
PROJECTS IMPLEMENTED IN THE PRECEDING FISCAL YEAR

NAME
OF PROJECT

American Stores Properties, Inc.

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(7)(B) - 65 ILCS 5/11-74.4(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2000, if any, have been made pursuant to i) the Redevelopment Plan for that Project Area, and ii) the one or more Redevelopment Agreements, if any, affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

(7)(C) - 65 ILCS 5/11-74.4(d)(7)(C)

TABLE 7(C)
AGREEMENTS ENTERED INTO WITH REGARD TO THE DISPOSITION & REDEVELOPMENT OF
PROPERTY WITHIN THE PROJECT AREA

PARTIES TO AGREEMENT WITH CITY	NATURE OF AGREEMENT	PROJECT DESCRIPTION	ADDRESS	JOBS CREATED AND/OR RETAINED
American Stores Properties, Inc.	Redevelopment Agreement	Acquisition of private and City parcels and ground leases over CTA parcels, and construction thereon of a Jewel/Osco grocery/retail store, two retail "out buildings" and surface parking.	Roosevelt & Wabash	Creating 145 full time jobs

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(7)(D) - 65 ILCS 5/11-74.4(d)(7)(D)

The Project Area has received \$ 31,743,106 of property tax and sales tax (if applicable) increment since the creation of the Project Area. These amounts have been used to pay for project costs within the Project Area and for debt service (if applicable). The Project Area's fund balance as shown on Table 5 represents (on a modified accrual basis) financial resources (including increment) that have not been expended.

(7)(E) - 65 ILCS 5/11-74.4(d)(7)(E)

During 2000, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

**Near South Redevelopment Project Area
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(7)(F) - 65 ILCS 5/11-74.4(d)(7)(F)

During 2000, no reports were submitted to the City by the Joint Review Board.

(7)(G) - 65 ILCS 5/11-74.4(d)(7)(G)

TABLE 7(G)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 1: American Stores Properties, Inc.	n/a	\$15,021,090	n/a	\$5,600,000	n/a	3:1

* Each Public Investment amount reported below is the maximum public investment amount that could be made under the provisions of the corresponding Project/Redevelopment Agreement and may not necessarily reflect actual expenditures, if any, as reported under Sections 2 or 5 herein. (The total public investment ultimately made under the Project/Redevelopment Agreement will depend upon the future occurrence of various conditions set forth in that agreement.)

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TABLE 7(G)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Estimated to be Undertaken in 2001	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 1: Roosevelt, LLC	n/a	\$8,369,441	n/a	\$2,350,000	n/a	4:1

* Each Public Investment amount reported below is the maximum public investment amount that could be made under the provisions of the corresponding Project/Redevelopment Agreement and may not necessarily reflect actual expenditures, if any, as reported under Sections 2 or 5 herein. (The total public investment ultimately made under the Project/Redevelopment Agreement will depend upon the future occurrence of various conditions set forth in that agreement.)

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**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE
MUNICIPALITY - 65 ILCS 5/11-74.4-5(d)(8)(A)**

During 2000, there were no obligations issued for this Project Area.

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(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 2000, there were no obligations issued for the Project Area.

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(10) CERTIFIED AUDIT REPORT - 65 ILCS 5/11-74.4-5(d)(9)

Please see attached.

Bansley and Kiener, L. L. P.
Certified Public Accountants

Established 1922

BERNARD J. SULLIVAN, C.P.A.
RICHARD J. QUINN, C.P.A.
FRANK S. GADZALA, C.P.A.
PAUL A. MERKEL, C.P.A.
THOMAS A. TYLER, C.P.A.
JOHN W. SANNEW III, C.P.A.
THOMAS A. CERWIN, C.P.A.
STEPHEN R. PANFIL, C.P.A.
MICHAEL D. HUELS, C.P.A.
ROBERT J. MARSCHALK, C.P.A.
THOMAS J. CAPLICE, C.P.A.
ROBERT J. HANNIGAN, C.P.A.
GERALD J. PATER, C.P.A.
VINCENT M. GUZALDO, C.P.A.
TIMOTHY J. QUINN, C.P.A.
MAUREEN B. SHANAHAN, C.P.A.

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined balance sheet of Near South Redevelopment Project of the City of Chicago, Illinois as of December 31, 2000, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 16, 2001.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Near South Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 16, 2001

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(11) GENERAL DESCRIPTION AND MAP

The Near South Redevelopment Project Area, as amended, is generally bounded by Congress Parkway on the north, Michigan and Calumet Avenues and Lake Shore Drive on the east, 21st Street and the northern boundary of the Michigan/Cermak Project Area on the South, and State Street on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

